



CITY COUNCIL

Meeting Agenda

***REGULAR MEETING
VIRTUAL MEETING***

***MONDAY, OCTOBER 11, 2021
at the conclusion of the COW Meeting***

The Regular Meetings of City Council are filmed and can be viewed LIVE while the meeting is taking place via the attached Zoom link and dial-in phone number, on Facebook and on BCTV MAC Channel 99 or at your convenience at <https://www.readingpa.gov/content/city-council-video>.

Due to COVID-19, the public is prohibited from physically attending the meeting. In person attendance is permitted in the Penn Room in City Hall – use the 8th Street doors. To attend the meeting via our virtual app, please log-in using the link or the dial-in phone number below. Please see the Public Comment Instructions on Page 2.

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join.

<https://readingpa.zoom.us/j/87461374849?pwd=Vk5yN1FNR3JZUHpCUmdOQTROeWpSdz09>

Passcode: 770795

Or One tap mobile:

+16465588656,,87461374849#,,,*770795# US (New York)

+13017158592,,87461374849#,,,*770795# US (Washington DC)

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799 or +1 720 707 2699 or +1 253 215 8782 or +1 346 248 7799

Webinar ID: 874 6137 4849

Passcode: 770795

1. OPENING MATTERS

A. CALL TO ORDER

B. INVOCATION: Pastor Jose Montalvo, El Podor de la Palabra de Dios

C. PLEDGE TO THE FLAG

D. ROLL CALL

E. EXECUTIVE SESSIONS: There was an executive session on the potential settlement of litigation at the close of the COW on Monday, October 4th.

2. PROCLAMATIONS AND PRESENTATIONS

- Celebrating Hispanic Heritage Month by commending Rosa Julia Parro, El Palo Magazine, and Cory Dahlia Varona Corniel and Nicol Varona Cancelmo

- Issuing a commendation to the I LEAD Team for their work to organize the Puerto Rican parade

3. PUBLIC COMMENT – AGENDA MATTERS:

Due to COVID-19 the public speaking requirements have been modified. Comments posted in Zoom Chat and on Facebook are not considered public comment and a response may not occur.

Public Comment Instructions:

- To comment at a Regular Business Meeting, citizens can register by calling or emailing the City Clerk's Office by noon on the day of the regular meeting. Instructions to access the virtual meeting app or dial-in will be provided upon registration. Call 610-655-6205 or e-mail council@readingpa.gov
- Public comment for Regular Business meetings will also be accepted in writing by 4pm on the day of the meeting through an e-mail to council@readingpa.gov. The message must clearly be marked as Public Comment. The comment received in writing will be read into the record at the Regular Meeting.
- Those wishing to provide in-person comment at a Regular Meeting in the Penn Room must register with the City Clerk no later than 4 pm on the day of the meeting by calling 610-655-6204 or emailing council@readingpa.gov. The procedure to register to comment by signing a registration sheet before the start of the regular meeting will be suspended until the meetings are fully opened with everyone gathering in Council Chambers.
- Public speaking rules adopted by Council allow those speaking on agenda matters to speak for 5 minutes and 3 minutes for non-agenda matters.

All remarks must be directed to Council as a body and not to any individual Council member or public or elected official in attendance. Any comment that is personally offensive or impertinent will not be read into the record. Comments on agenda matters are limited to 5 minutes in length and comments on non-agenda matters are limited to 3 minutes in length.

4. APPROVAL OF AGENDA & MINUTES

A. AGENDA: Meeting of October 10, 2021

B. MINUTES: September 27th Regular Meeting, and approving the summations of discussion from the September 27th and October 4th COW meetings and the October 4th Nominations Committee meeting

5. Consent Agenda Legislation

The Consent Agenda is designed to provide efficient approval of non-controversial legislation that does not require discussion/debate by giving approval via acclamation when the meeting agenda is approved. The President of Council will call Council's attention to the list of Consent Agenda legislation at the meeting before action is taken, which allows Council to remove a piece of legislation for separate consideration.

None

6. ADMINISTRATIVE REPORT

Written report attached.

7. REPORT FROM OFFICE OF THE AUDITOR

Written report attached.

8. REPORT FROM DEPT. DIRECTORS, BOARDS, AUTHORITIES, & COMMISSIONS

9. ORDINANCES FOR FINAL PASSAGE

Budget Ordinances

Ordinance – 2022 Real Estate Tax Rate *Introduced at the Oct 4 Special Meeting*

Ordinance – 2022 Non-Resident EIT Tax Rate *Introduced at the Oct 4 Special Meeting*

Ordinance – 2022 Position Ordinance *Introduced at the Oct 4 Special Meeting*

Ordinance – 2022 General Fund Budget *Introduced at the Oct 4 Special Meeting*

Ordinance – 2022 Capital Fund Budget *Introduced at the Oct 4 Special Meeting*

Ordinance – Adjustments to Trash/Recycling Fees *Introduced at the Oct 4 Special Meeting*

Ordinance – ARPA Plan *Introduced at the Oct 4 Special Meeting*

A. Bill No. 66-2021 – vacating and removing from the topographical survey of the City a portion of the city right-of-way for SR 3422, known as “Penn Street,” and authorizing the execution of a deed transferring the vacated portion of the right-of-way of Penn Street to Reading Area Community College *Introduced at the September 13 regular meeting; advertised on Sept 20th, 27th and Oct 4th*

B. Bill No. 73-2021 – authorizing an increase in the base salary of the Wastewater Treatment Plant Laboratory Supervisor by \$5,000 per annum, payable in equal bi-monthly installments, retroactive to January 1, 2021 due to an increase in responsibilities *Introduced at the Sept 27 regular meeting*

C. Bill No. 74-2021 – amending the City Code Chapter 576 Vehicles and Traffic, Part 13 Motorized Devices Section 1306 d by adding the requirement for the ATV/dirt bike owner to provide proof of title and proof of insurance prior to the release of the vehicle *Introduced at the Sept 27 regular meeting*

D. Bill No. 75-2021 – amending the Code of Ordinances Chapter 62 New Officers And Employees Pension Fund, Section 102 to prohibit the participation of new members where the employee is hired or rehired on or after January 1, 2022 *Introduced at the Sept 27 regular meeting*

E. Bill No. 76-2021 – amending City Code Chapter 23, Part 7 by repealing the Minority Business Procurement Advisory Board and replacing it with the Equal Business Opportunity Advisory Board *Introduced at the Sept 27 regular meeting*

F. Bill No. 77-2021 – amending the Position Ordinance by increasing the base salary of the Auditing Coordinator by \$3,600 which is available from salary savings in the salary line item of the City Auditor 2021 budget; bringing the salary to \$55,000 *Introduced at the Sept 27 regular meeting*

G. Bill No. 78-2021 – amending the Fund 43 City Facilities Construction Fund Budget Ordinance reallocating \$1M in funding for the construction of the New 9th & Marion Fire Station *Introduced at the Sept 27 regular meeting*

H. Bill No. 79-2021 – amending City Code Chapter 62 New Officers and Employees Pension Fund by adding a Defined Contribution Plan for employees hired beginning January 1, 2022 *Introduced at the Sept 27 regular meeting*

10. INTRODUCTION OF NEW ORDINANCES

A. Ordinance – authorizing the transfer of \$29,717 from the Public Works General Fund Street Division Budget to the Public Property Division General Fund Budget to pay for the New Neco Replacement Duplex Water Pressure Booster Pump System at the Public Works Center.

B. Ordinance –

11. RESOLUTIONS

A. Resolution – to approve or disapprove the Certificate of Insufficiency issued to the We The People Circulators Committee for the Toxic Trespass petitions, as per Charter § 1105. Initiative and referendum; procedure after filing, Part b. The Charter requires the collection of 2,000 signatures and 1,737 signatures were submitted, 263 less than the required amount

B. Resolution - ratifying the Collective Bargaining Agreement between the City of Reading and the AFSCME Local 2763 for 2021-22 regarding salary changes and other provisions, effective date January 1, 2021

C. Resolution – appointing Nehemiah Diaz Lopez to the Youth Commission

12. PUBLIC COMMENT – GENERAL MATTERS

Please see public speaking rules on second page

13. COUNCIL BUSINESS/COMMENTS

14. COUNCIL MEETING SCHEDULE

Tuesday, October 12

Budget Review – 5 pm re Revenue Review, Expenditure Overview, Position Ord Overview, Major Revenue/Expenditure Driver; Mayor, City Council / City Clerk, City Auditor, Managing Director &

Monday October 18

Public Hearing GF Budget – 5 pm

Committee of the Whole - immediately following hearing

- 2021 External Audit – Herbein & Co.
- Public Works re Operations, Engineering, Liquid Fuels, Sewers and Sewers Fund Retail, Solid Waste, Shade Tree

Tuesday October 19

1. Conditional Use Hearing – 5 pm

- 730 McKnight - Group Home

2. Public Hearing Capital Budget - Budget Review immediately following –& Capital Budget and Finance Dept

Monday, October 25

Committee of the Whole Budget Review Fire & HR – 5 pm

Regular Business Meeting – immediately following COW

Tuesday, October 26

Budget Review – 5 pm

Monday, October 25

Committee of the Whole Budget Review Fire & HR – 5 pm

Regular Business Meeting – immediately following COW

Tuesday, October 26

Budget Review – 5 pm

Tuesday Nov 16th

Conditional Use Hearing – 5 pm

- 238N 6th – Road to Damascus – temporary women's shelter

15. ADJOURN

City of Reading City Council
Hybrid Regular Meeting
September 13, 2021
At the conclusion of the COW Meeting

Council Vice President Sihelnik called the meeting to order at approximately 7:05 pm.

Due to COVID-19, the City changed the meeting format to a hybrid format with Council attending in-person at times and others attending virtually. In addition to providing the public with the ability to observe the Council meetings virtually and via telephone and viewed live on the BCTV MAC Channel 99 and Facebook Live, the Committee of the Whole and Regular Meetings will be shown in the Penn Room, in the first floor of City Hall – access the Penn Room using the doors on North 8th Street only. Public comment at regular meetings can occur virtually, via telephone or in-person in the Penn Room through Zoom. The meeting agendas are posted on the City's website 3 days prior to the meeting. All agendas include the Zoom meeting information (LINK and Dial In) to easily 'click and join' the meeting. Access meeting agendas at: https://www.readingpa.gov/council_minutes_agendas.

The invocation was given by Pastor Felipe Fana, Iglesia Misionera La Senda.

All present pledged to the flag.

There were executive sessions held after the COW on August 30th and Sept 13th.

ATTENDANCE

Councilor Sihelnik, District 1 - electronically
Councilor Goodman-Hinnershitz, District 2 – electronically
Councilor Ventura, District 3 – electronically
Councilor Marmarou, District 4 – in person
Councilor Reed, District 5 – electronically
Councilor Cepeda-Freytiz, District 6 – electronically
Solicitor F. Lachat – electronically
City Clerk L. Kelleher – in person
Auditor M. Rodriguez – electronically
Managing Director A. Amoros - electronically

Council Vice President Sihelnik announced that the Council President was excused from the meeting.

PROCLAMATIONS AND PRESENTATIONS

Council issued a commendation recognizing the Touch is Essential art installation honoring essential workers during the pandemic, accepted by Don Schalk for Bruce Becker.

PUBLIC COMMENT

Council Vice President Sihelnik announced that there are no citizens registered to address Council this evening. She reminded those watching about the importance of public input.

APPROVAL OF THE AGENDA & MINUTES

Council Vice President Sihelnik called Council's attention to the agenda for this meeting, including the legislation listed under the Consent Agenda heading, and the minutes from the August 23rd Regular Meeting, the meeting summaries from the COWs held on August 23rd and 30th and September 7th and the meeting summary from the September 7th Nominations meeting. She stated that the Consent Agenda Resolution pertaining to the POW/MIA flag is being withdrawn as it is duplicative of legislation adopted in 2008 already allowing the flying of this flag at City facilities.

The minutes from the August 23rd Regular Meeting, the summations of discussion listed and the agenda, as amended, were approved by acclimation.

Consent Agenda

The Consent Agenda is designed to provide efficient approval of non-controversial legislation that does not require discussion/debate by giving approval via acclimation when the meeting agenda is approved. The President of Council will call Council's attention to the list of Consent Agenda legislation at the meeting before action is taken, which allows Council to remove a piece of legislation for separate consideration.

WITHDRAWN

A. Resolution – authorizing the flying of the POW/MIA flag over City buildings or facilities where possible

B. Resolution 85-2021 – authorizing the purchase of IT firewall maintenance renewal for a 3 year term from COSTARS Vendor IntegraOne in the amount of \$150,564.51.

C. Award of Contract – to Stryker Medical, Chicago, IL (a COSTARS Vendor) in the amount of \$1,082,040.00 pending the transfer of funds for the purchase of EMS Equipment consisting of Heart Monitor/Defibrillators, Automatic External Defibrillators, Automatic Chest Compression Devices for the Department of Fire and Rescue Services and its partnering EMS and Fire Agencies in the Regional Assistance to Firefighter Grant.

D. Resolution 86-2021– authorizing conditional offers of employment to the following Probationary Paramedic to be effective September 16, 2021:

- Abigail Rogers
- Benjamin Schearer
- Nicole McClintock

ADMINISTRATIVE REPORT

The managing director read the report provided in writing and attached to the agenda, in summary:

COMMUNITY DEVELOPMENT:

- The Community Development Department announced the City's grant award for \$3.3M to develop, administer, and implement a successful Lead Base Paint Hazard Reduction Program. The program will remediate 150 residential dwellings throughout three (3) years.
- The CD Department began working on the Quality of Life program with HOPE Rescue Mission volunteers on August 23rd. Volunteers are assisting with trash and weed removal and any additional debris discarded on sidewalks. Public Works provided volunteers tools, trash bags, and PPE. In addition, Property Maintenance Inspectors are present and educating property owners about the Quality of Life program and the need to maintain their property and neighborhoods clean.
- The CD Director and Property Maintenance Department met with residents on the 1200 block of Oley Street to address unkempt properties in the area. Public Works assisted in addressing some of the issues, and the CD Department agreed to monthly meetings to discuss progress in the neighborhood.
- The CD Department met with Stantec to discuss the finalized report for Downtown Plus Strategic Plan. According to Stantec representatives, an executive narrative of the report will be provided to the Administration in September.

FINANCE:

- The Finance Department IT successfully switched to the new Web Help desk system on August 31st. It is currently working on scanning assets into the new help desk software.
- The Finance Department's Citizen Service Center continues working on updating residential trash account data. The updated list of new trash accounts has been provided to the Reading Area Water Authority (RAWA) for billing purposes. The CSC expects a higher call and walk-in volume and asks the public to be patient as they assist residents with their questions regarding the billing changes.
- The Finance Department welcomes two new employees. Caroline Rodriguez will start as the Finance Department's Accounting Manager on September 7th. She is coming from the City Auditor's Office, where she served as the Auditor Coordinator. Also hired, Jessica Didow has been named the new Grants Coordinator, replacing Cindy DeGroote, who recently retired.

FIRE:

- The Fire Department will hold a September 11th Memorial Service at the City Park Bandshell on Saturday, September 11th.
- The RFD EMS did a great job responding to Hurricane Ida on Wednesday, September 1st, and Thursday, September 2nd. Although the Schuylkill River was crested, the damage caused by it was minimal.

HUMAN RELATIONS COMMISSION:

- As of September 3rd, HRC has:
 - 1023 total rent and utility assistance applications were received (an addition of 31 applications since last reported).
 - 988 applications for rental assistance
 - 641 applicants were facing eviction
 - 257 applicants were not actively facing eviction
 - 91 applicants resided outside of the City but within the County.
 - 34 applications for utility assistance
 - HRC has assisted 300 families through this program, and \$1,064,762 has been spent.

LIBRARY

- The Reading Public Library hosted the "Three Little Pigs" Berks Jazz Fest event featuring the Berks Opera and Yocum Institute of the Arts. Ninety people attended the event held on the front steps of the RPL's Main Branch on August 20th.
- The RPL held its quarterly *For the Culture* book club at the Grill and Chill restaurant. The book club is a project a library clerk took the lead on. Book club participants read and discuss contemporary novels by authors of color.

POLICE:

- The Reading Police Department's multi-agency Operation Cease Fire continues its efforts to reduce gun violence in our community. The details have resulted in the seizure of twelve illegal firearms in the month of August.
Non-fatal shootings continue to trend at 36% YTD, which is down in comparison to last year.
- The following supervisory changes will take effect on September 6th:

- Community Response Coordinator – Lt. Lance Lillis
- Police Academy Director – Lt. Brett Sneeringer
- Quartermaster – Sgt. Lance Lonsinger
- C Platoon Commander – Lt. Luz Shade
- B Platoon Sergeant – Sgt. Jacob Stefani

PUBLIC WORKS:

- Public Works completed the design and planned installation of ADA accessibility for a soccer field at 11th & Pike playground. The 11th & Pike fence construction project is also set to begin upon arrival of materials.
- The Public Works team completed the PA Department of Agriculture's Pesticide Program.
- Public Works collaborated with the Reading School District to identify safety concerns with street accessibility. The collaboration will continue with RSD and PennDOT on a bid to correct the deficiencies identified.
- Public Works is set to begin line painting on September 13th. There was a delay in beginning line painting this year due to a delay in paint delivery.
- Public Works crews will begin the Penn Street paving project for the 200 and 300 blocks of Penn Street on October 4th, with an expected timeline of three weeks to complete. There was a delay in starting this project due to a sinkhole that appeared and needed repair this summer.

Councilor Reed noted that while these reports cover all the good news, the reports need to be cognizant of all information; good and bad. She noted the recent shootings and multitudes of unresolved Property Maintenance quality of life complaints that create eyesores in neighborhoods. She stated that these unresolved issues expand and can affect the entire neighborhood. She noted the frustration of many citizens who complain to Council, noting that she recently received calls from frustrated citizens who live in other Council Districts.

The managing director agreed that these issues can be frustrating for citizens but Council needs to understand the great effort applied by City employees in a variety of ways.

Councilor Reed disagreed, noting the lack of timely response and follow-up by Property Maintenance. She stated that lack of proper response to simple complaints like trash build-up and/or high grass and weeds allows the problem to expand into the greater neighborhood.

Council Vice President Sihelnik recognized Chief Tornielli.

Chief Tornielli noted that apart from the shootings today, crime, overall, is down from the 2019 statistics. He stated that the Department is in the early stages of the investigation about today's incidents. He described the intense approach applied to violent crime throughout the Department and he noted the success rate of the Criminal Investigations Division. For example, the division focused its attention on the recent drug overdoses and made arrests in a few days. He also noted the increased policing on Penn Street.

Councilor Goodman-Hinnershitz agreed with the need for improved focus in the Property Maintenance Division on maintenance issues. She applauded the quick work of the Police Department to make arrests and curtail those who were causing the recent drug overdoses.

AUDITOR'S REPORT

The Auditor highlighted the report attached to the agenda and distributed electronically. In summary:

User Fees Revenue – Update as of 7/31/2021

As of June 30, 2021, an addition of \$19,000.00 has been allocated to the budget of the User Fees line item. Although this allocation initiated a budget increase from \$3,000,000.00 million to \$3,019,000.0, as of July 31, 2021, the City recorded \$1,926,206.58 or 64% in revenue for User Fees. As I reported on August 9, 2021, if this revenue continue this trend for the rest of this year, it could be expected that this revenue line item will exceed its budget target.

Business Privilege License – Update as of 8/31/2021

For the current year \$280,000.00 was budgeted for Business Privilege Tax and as of August 31, 2021, \$241,964.34 has been recorded for revenue in this line item.

Admission Fee/Tax – Update as of 8/31/2021

As of 8/31/2021, the City recorded \$45,012.67 for the revenue line item of Admission Fee/Tax. This revenue was received from the Reading Phils/Energy Stadium with the exception of \$52.80 that was recorded from the Performance Arts Center for tickets sold of the RSO concert. Due to the loss of revenue in 2020, only \$200,000.00 was budgeted for Admission Fee/Tax for 2021.

Councilor Cepeda-Freytiz questioned if the loss of Business Privilege revenue is caused by the pandemic and if this can be included in the ARPA Lost Revenue calculation. The Auditor stated that she would need further review of this information to make that determination.

REPORT FROM DEPT. DIRECTORS, BOARDS, AUTHORITIES, & COMMISSIONS.

None

ORDINANCES FOR FINAL PASSAGE

A. Bill 63-2021 – authorizing a referendum question on the 2022 Primary Election

Ballot - Shall Section 907 of the Reading Home Rule Charter be eliminated as it is in violation of State Statute 53 Pa. C.S. § 2962(b) which does not allow a Charter to place taxation limitations on the governing body, apart from State Act 511

Councilor Goodman-Hinnershitz moved, seconded by Councilor Marmarou, to enact Bill No. 63- 2021.

Council Vice President Sihelnik explained that this referendum seeks to make a housekeeping amendment to remove erroneous language from the Charter.

The motion to enact Bill No 63-2021 was approved by the following vote:

Yeas: Cepeda-Freytiz, Goodman-Hinnershitz, Marmarou, Reed, Ventura, Sihelnik – 6

Nays: None – 0

B. Bill 64-2021 – authorizing the transfer of \$32,000 in grant funding from the PA EMS Provider

Foundation/Highmark into the Grants and Gifts line of the Agency Fund Budget for the replacement/purchase of stair chairs for the department's ambulances ***Introduced at the August 23 regular meeting***

Councilor Marmarou moved, seconded by Councilor Cepeda-Freytiz, to enact Bill No. 64- 2021.

The motion to enact Bill No 64-2021 was approved by the following vote:

Yeas: Cepeda-Freytiz, Goodman-Hinnershitz, Marmarou, Reed, Ventura, Sihelnik – 6

Nays: None – 0

INTRODUCTION OF NEW ORDINANCES

Councilor Goodman-Hinnershitz read the following ordinances into the record:

A. Bill No 65-2021 – Authorizing the transfer of \$45,000 within the 2021 Department of Public Works, Utilities Division budget from 55-07-48-4216 Contracted Services to 55-07-48-4101 Power & Light to cover storm related Electrical costs for the rest of the year

B. Bill No. 66-2021 – vacating and removing from the topographical survey of the City a portion of the city right-of-way for SR 3422, known as “Penn Street,” and authorizing the execution of a deed transferring the vacated portion of the right-of-way of Penn Street to Reading Area Community College ***Advertised on 9-20, 27 and Oct 4***

C. Bill No. – authorizing a budget transfer for legal services rendered to the Charter Board in the amount of \$30,000 from the Law, Special Counsel, Legal Services

D. Bill No. – authorizing the amendment of the CIP Budget by providing \$248,578 in funding for the cost of the fire system upgrades at the Main Library building. To be paid by Public Works Public Property budget line item

E. Bill No. – authorizing the transfer of \$1,033,992.26 within the Agency Fund from Contracted Services to Grants and Gifts for the purchase of EMS equipment using \$983,672.73 in FEMA grant funding

F. Bill No. – authorizing the appropriation of \$3M in American Rescue Plan Act funding to the Berks County Convention Center Authority (BCCCF) for the Santander Arena and the Performing Arts Center to assist with them to recover from the financial losses due to the closure of the facilities due to the pandemic

G. Bill No. – authorizing the amendment of the CIP budget to transfer funds in the amount of \$46425 to cover the cost of 3rd & Spruce Gym HVAC

H. Bill No. – increasing the base salary of the Deputy Chief of Police, Javier Ortiz, to \$101,757.04 per annum.

RESOLUTIONS

A. Resolution 87- 2021 – appointing Jerry Jones to the Blighted Property Review Committee

B. Resolution 88-2021 – appointing Rebecca Noviello to the Environmental Advisory Council

Councilor Marmarou moved, seconded by Councilor Cepeda-Freytiz, to adopt Resolutions 87-88-2021.

Councilor Marmarou noted the skills of those being appointed and the benefit that will bring to the applicable boards.

The motion to adopt Resolutions 87-88-2021 was approved by the following vote:

Yeas: Cepeda-Freytiz, Goodman-Hinnershitz, Marmarou, Reed, Ventura – 6

Nays: None – 0

COUNCIL COMMENT

Councilor Cepeda-Freytiz noted the upcoming clean-up event planned at Riverfront Park. She also relayed the need for the administration to arrange a meeting on the City's permit process for community members.

Councilor Reed requested an update on various economic development projects – the Berkshire, the Madison, the former Reading Eagle building, the City owned 5th and Penn properties and Redevelopment Authority properties. She noted that the fanfare about the City's renaissance seems to be falling flat.

Councilor Goodman-Hinnershitz agreed, noting that her current office faces the Madison building and she can see the many open windows. She questioned if the developer is intentionally compromising the integrity of the building.

The managing director stated that an update will be arranged.

Councilor Sihelnik provided an update on the Downtown Center Conference being held at the DoubleTree and on the Youth Commission meeting. She thanked Councilors Cepeda-Freytiz and Goodman-Hinnershitz for volunteering to assist with finding viable members for the Citizens Advisory Commission.

Councilor Sihelnik reviewed the upcoming meeting schedule.

Councilor Marmarou moved, seconded by Councilor Cepeda-Freytiz, to adjourn the regular meeting of Council.

Linda A. Kelleher CMC, City Clerk

TO: City Council
FROM: Abraham Amorós, Managing Director
PREPARED BY: Maritza Loaiza, Special Assistant
MEETING DATE: October 06, 2021
AGENDA MEMO DATE: October 11, 2021

COMMUNITY DEVELOPMENT:

- The Community Development Department was awarded a Housing and Urban Development (HUD) – HOME ARP grant in the amount of \$3,580,856. The monies may be used to acquire and develop non-congregate shelter(s) for individuals or families. The monies may also be utilized to acquire, rehabilitate, or construct NCS Units, acquire improved or unimproved real properties, demolish existing structures for development, and/or capitalize a replacement reserve to cover reasonable and necessary costs of replacing major systems and their components.
- The CD Department's Property Maintenance Division is expanding on ways to address the more significant challenges the Division has identified recently. Some of the action items that are being implemented are assigning inspectors to focus on specific areas and connect with property owners. The Division has also developed a list of chronic violators that inspectors will follow up directly with landlords.

FINANCE:

- The Finance Department's Citizen Service Center received minimal phone calls from property owners regarding the transition to City trash service and new charges on recent bills. Staff was able to address most of the anticipated issues with property owners upon receiving their notification letter.
- The Finance Department is currently working with Public Work's Solid Waste Division to improve the billing process for properties that experience a change of ownership but previously had a Senior Citizen Discount applied to the address.
- The Finance Department met with Berks EIT Tax Collection, and collection rates are as expected for this period.
- The Finance Department's CSC provided information to be distributed at a community table at the Salsa Festival on September 26th in City Park. The event was well attended, which provided a great outreach opportunity for the City.
- The Finance Department's Grant Division gave the following updates:
 - **USDOJ Edward Byrne Memorial Justice Assistance Grant:** Prepared and submitted in August of 2020. The grant benefits City and County law enforcement operations. The grant was awarded to the City and the County, with the City's allotted amount to be \$55,403. The funds will go towards 540 hours of Police Officer special detail overtime and a one-year reporting and record management software subscription.
 - **Recycling 902 Grant:** The grant application was prepared and submitted on September 24th by Public Works.
 - **Schuylkill River Trail - DCED CFA Greenways Trail and Recreation Program Grant:** The City was awarded \$125,000 for upgrades to Schuylkill River Trail with a \$75,000 match required, which will be allocated from CIP funds. The grant project includes design and construction for trail upgrades needed to compliment the current Schuylkill River Trail project, with the activity period ending on June 30, 2022. The City is preparing an extension request which will be submitted by December 31st.

- **City Park, Baer Park, and 6th & Amity Playground:** City staff is scheduled to meet with Civil and Environmental Consultants to review plans for each site and compare grant project narratives. The first site visit will be to 6th and Amity at the beginning of October.
- **Penn Street Courtyard:** This project will remove brick walls and include paving, and replace stamped concrete. Existing concrete walls and planters will be coated with sealant and primer for possible mural painting. Also being removed and replaced are the existing drains and stormwater piping.
- The Finance Department has moved the implementation date for the Defined Contribution Plan to January 1, 2022, to allow for a smoother transition.

FIRE:

- The Fire Department's 9th and Marion Fire Station project had four out of their five construction contracts approved by City Council on September 27th. The fifth contract for Mechanical and HVAC services went out for rebid with a deadline of October 11th. A groundbreaking ceremony will be announced when details are finalized.
- The Fire Department held its Annual Award Ceremony on Saturday, October 9th. This ceremony covered a two-year period due to last year's cancellation related to the pandemic. Many Department members received an award at this event.

HUMAN RELATIONS COMMISSION:

- As of October 6th, HRC has:
 - 1054 total rent and utility assistance applications were received (an addition of 14 applications since last reported).
 - 1014 applications for rental assistance
 - 647 applicants were facing eviction
 - 271 applicants were not actively facing eviction
 - 96 applicants resided outside of the City but within the County.
 - 40 applications for utility assistance

HUMAN RESOURCES:

- The Human Resource Department is reconvening the Wellness Committee, which focuses on the health and well-being of City employees. A kick-off meeting will be held in October. The Human Resource Department is preparing for the open enrollment period for employee benefits and the Annual Employee Wellness Fair. Both events will take place in early November.

LIBRARY:

- The Reading Public Library's Northwest Branch hosted Hispanic Heritage Month Storytime with Mayor Eddie Moran as the guest reader. Mayor Moran really connected with the kids, many of which were middle school students.
- The RPL's Executive Director attended the Pennsylvania Library Association's Annual Conference, which was held virtually.
- The RPL's signature fundraising event, Cocktails & Classics, was held on Friday, October 1st. The event raised \$127,000 and was attended by close to 300 people.

POLICE:

- The Reading Police Department's Community Outreach Officer, Lt. Lance Lillis, continues to attend recruiting events at area colleges, universities, and other local events. He has partnered with the Transition Assistance Program (TAP), which provides resources to the approximately 200,000 service members that transition to civilian life annually. For anyone interested, an entry-level civil service test is scheduled for October 23rd at Alvernia University.

PUBLIC WORKS:

- Public Works staff has completed 200 out of the 780 streetlights from the LED Streetlight project.
- Public Works has completed the City Park Washington Street Stonewall project.

Public Work's 18th Ward Bicycle and Pedestrian Trail Construction project continues with pavement restoration occurring at the third traffic island. At the same time, preparations for the concrete curb in

CITY AUDITOR'S REPORT

Monday, October 11, 2021

Property Tax Revenue – Update as of September 30, 2021

For the current year, the City budgeted \$24,649,055.00 for Property Taxes which includes Property Tax Current, Property Tax Prior, Penalty & Interest, and Discount & Allowance. And as of September 30, 2021, the City has recorded \$23,733,865.20 or 96.3% of total amount budgeted. For the same period of 2020, the City recorded \$21,609,595.81 or 87% which is \$2,124,269.39 less than the revenue recorded this year. However \$178,945.00 less was budgeted for this revenue line item in 2021.

The following charts explains Property Taxes Budget to Actual Comparison.

Property Taxes	2021 Budget	YTD 9/30/2021	Variance	2020 Budget	YTD 9/30/2020	Variance
Discount & Allowance	(367,000.00)	(393,782.51)	(26,782.51)	(367,000.00)	(333,132.74)	(33,867.26)
Property Tax Current	22,691,955.00	21,986,347.72	(705,607.28)	22,141,000.00	20,055,232.12	(2,085,767.88)
Property Tax Prior	1,720,100.00	1,786,739.91	66,639.91	2,450,000.00	1,621,053.20	(828,946.80)
Penalty & Interest	604,000.00	354,560.08	(249,439.92)	604,000.00	266,443.23	(337,556.77)
TOTALS	24,649,055.00	23,733,865.20	(915,189.80)	24,828,000.00	21,609,595.81	(3,286,138.71)

User Fees (EMS FEES) Revenue – Update as of 8/31/2021

For the current year, the City budgeted \$3,028,500.00 for the User Fees Revenue line item and as of August 31, 2021, the City recorded in revenue \$2,169,568.05 or 72% of total amount budgeted. In 2020, due to the pandemic and the transition to a new company collecting the revenue for the the User Fees; the City had a decrease in revenue of \$790,857.47 for this line item.

The Chart below explains the revenue collected YTD for the fiscal years of 2017 through 2021

	YTD 8/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
USER FEES-EMS	2,169,568.06	2,405,142.53	3,333,157.10	2,808,204.15	2,912,755.52
BUDGET	3,028,500.00	3,196,000.00	3,095,000.00	2,900,000.00	2,900,000.00
OVER/UNDER BUDGET	(858,931.94)	(790,857.47)	238,157.10	(91,795.85)	12,755.52

2021- Pension State Contributions

For the Pension State Contributions revenue line item, the City budgeted \$3,771,656.00, and on September 28, 2021, the City received \$3,674,718.47 from the State.

2020 Audit – Update

On October 1, 2021, a draft of the 2020 audited financial statements for the City of Reading was received from Chris Turtell of Herbein & Company. The draft is showing that the General Fund ended with a surplus of \$2.4 million. Part of this surplus was due to a big increase of revenue collected for Real Estate Transfer Tax transactions. Also, due to the pandemic, there were some projects that were not completed or delayed, under the Public Works and this contributed to some of the cost savings. Police Patrol Personnel, also had a big cost saving. There is only one finding in the 2020 audit. In the 2019 audit, there were 5 findings. At the moment, the City Auditor and the City Controller are reviewing the 2020 draft audit.

Drafted by: J. London, Esq.
Sponsored by: Reading Area Community College
Introduced on: September 13, 2021
Advertised on: Sept 20, 27 & Oct 4, 2021

BILL NO. _____ - 2021

AN ORDINANCE

AN ORDINANCE OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, VACATING AND REMOVING FROM THE TOPOGRAPHICAL SURVEY OF THE CITY OF READING, A PORTION OF THE CITY RIGHT-OF-WAY FOR SR 3422, KNOWN AS "PENN STREET," AS PARTICULARLY DESCRIBED IN THE DESCRIPTION AND PLAN ATTACHED HERETO AS EXHIBIT "A," AND AUTHORIZING THE MAYOR TO EXECUTE A DEED AS ATTACHED HERETO AS EXHIBIT "B" TRANSFERRING THE VACATED PORTION OF THE RIGHT-OF-WAY OF PENN STREET TO READING AREA COMMUNITY COLLEGE

WHEREAS, Penn Street is a public street located within the City of Reading; and

WHEREAS, Reading Area Community College ("RACC") is a non-profit educational institution, with its facility located in an area bordered by Penn Street, South Second Street, South Front Street, and Spruce Street in the City of Reading; and

WHEREAS, RACC has instituted a renovation and beautification project, including a gateway project with improved signage, stairs, pedestrian path, and planters to improve the appearance and walkability of the RACC campus and surrounding neighborhood;

WHEREAS, as a part of this project, areas of the City right-of-way for Penn Street, which are exclusively on the property of RACC, and which are currently maintained by RACC, should be controlled by RACC in order to ensure continued maintenance and safety of the improved areas; and

WHEREAS, the Board of Trustees of RACC is desirous of having the City of Reading vacate said portion of the right-of-way of Penn Street; and

WHEREAS, contemporaneously with the consideration of this Ordinance the Board of Trustees of RACC are petitioning the City Council of the City of Reading to Vacate the portion of the right-of-way of Penn Street described herein; and

WHEREAS, RACC and the City of Reading are the sole property owners adjacent to the portion of Penn Street desired to be vacated; and

WHEREAS, the portion of the right-of-way of Penn Street petitioned to be vacated is shown on the aerial photograph titled "Location Exhibit" prepared by Bogia Engineering Inc., Plan Number 2019-101, together with a legal description, attached hereto, made a part hereof and marked as Exhibit "A"; and

WHEREAS, upon vacation of said portion of Penn Street, the vacated property is to be deeded to RACC; and

WHEREAS, RACC agrees to reserve easements for the perpetual operation and maintenance of the existing public and private utilities that occupy that portion of the proposed vacated property; and

WHEREAS, pursuant to Section 12915 entitled "Power to Open and Alter Streets" of the Third Class City Code, 11 Pa.C.S. §12915, the Council of the City of Reading ("Council"), may, by Ordinance, with or without Petition vacate a street or portion thereof; and

WHEREAS, per Section 12918 entitled "Petition to Opening" of the Third Class City Code, 11 Pa.C.S. §12918, the Council of the City of Reading ("Council"), upon Petition by the sole owner of property abutting the proposed street to be vacated, may, by Ordinance, vacate the street described in said Petition; and

WHEREAS, City of Reading City Council complied with requirements for notice for enactment of an Ordinance to vacate a street or portion thereof set forth in Section 12919 entitled "Notice of Petition" of the Third Class City Code, 11 Pa.C.S. §12919; and

WHEREAS, upon review of said Petition, the City of Reading Planning Commission and Council believes that the vacation of a portion of the right-of-way of Penn Street is in the interest of the residents of the City of Reading.

NOW THEREFORE, be it ENACTED and ORDAINED by the City Council of the City of Reading, Berks County, Pennsylvania as follows:

SECTION 1. Pursuant to Section 12915, *et seq.* of the Third Class City Code, found at 11 Pa. C.S.A. §12915, *et seq.*, it is hereby determined that the City of Reading shall vacate that portion of the right-of-way of Penn Street located as shown and described on Exhibit "A", attached hereto.

SECTION 2. A prior notice of intent to adopt said Ordinance was given to the property owners whose land abuts or adjoins the streets proposed to be vacated in the form of at least ten (10) days' written notice; public notice was provided to the citizens of the City of Reading by public notice appearing in the Reading Eagle newspaper once a week for three consecutive weeks before the date of the public hearing regarding the adoption of said Ordinance; the hearing was held on the ____ day of _____ and the ____ day of _____, 2021, prior to adoption; and a copy of said Ordinance, together with the draft or survey of that portion of the street to be vacated showing the location and width thereof, shall be filed in the office of the Clerk of Court of Berks County, Pennsylvania, after passage of the within Ordinance.

SECTION 3. From the effective date of this Ordinance, the City of Reading shall have no further liability or responsibility with respect to the maintenance of that portion of said right-of-way of Penn Street, as identified and described in Exhibit "A", attached hereto, and said portion of said street shall be and is hereby vacated.

SECTION 4. The easements for the perpetual operation and maintenance of the existing public and private utilities that occupy that portion of the proposed vacated property shall remain in full force and effect.

SECTION 5. The Mayor is hereby authorized and directed to execute a deed in substantially the form attached hereto as Exhibit "B" transferring the vacated portion of the right-of-way of Penn Street as shown on Exhibit "A" to the Board of Trustees of Reading Area Community College.

SECTION 6. The City Solicitor is hereby authorized and directed to take such further action as may be necessary to carry out the provisions of this Ordinance.

SECTION 7. The official Topographical Map for the City of Reading shall be revised to include the vacation of the portion of the right-of-way of Penn Street as depicted and described in Exhibit "A"

SECTION 8 The Director of the Department of Public Works and/or the Interim Director of the Department of Public Works shall be authorized and directed to enter and record the above-described changes in the Topographical Survey Book of Streets in the Department of Public Works.

SECTION 9. Inconsistent Ordinances Repealed. All ordinances or parts of ordinances conflicting with any provisions of this Ordinance are hereby repealed in so far that same affects this Ordinance.

SECTION 10. Severability. The provisions of this Ordinance are severable and if any section, sentence, clause or provision hereof shall be held to be illegal, invalid or unconstitutional by any court of competent jurisdiction such decision of the court shall not affect or impair the remaining sections, sentences, clauses or provisions of the Ordinance. It is hereby declared to be the intent of the City of Reading that this Ordinance would have been adopted if such illegal, invalid, or unconstitutional section, sentence, clause, or provision had not been included herein.

SECTION 11. Effective Date. This Ordinance shall become effective ten (10) days after its adoption in accordance with Sections 219 and 221 of the City of Reading Home Rule Charter.

ENACTED and ORDAINED as an Ordinance of the City of Reading, Berks County, Pennsylvania, this ____ day of _____, 2021.

ATTEST:

COUNCIL OF CITY OF READING
BERKS COUNTY, PENNSYLVANIA

City Clerk

President of Council

Submitted to Mayor:_____

Date:_____

Received by Mayor's Office:_____

Date:_____

Approved by Mayor:_____

Date:_____

Vetoed by Mayor: _____

Date: _____

Prepared by:

Joan E. London, Esquire

Kozloff Stoudt, Professional Corporation

2640 Westview Drive

Wyomissing, PA 19610

(610) 670-2552

Return to:

Joan E. London, Esquire

Kozloff Stoudt, Professional Corporation

2640 Westview Drive

Wyomissing, PA 19610

(610) 670-2552

Premises: Penn Street, between South Front Street and South Second Street
City of Reading, Reading, PA

QUIT CLAIM DEED

THIS INDENTURE, MADE THE _____ day of _____ in the
year of our Lord Two Thousand Twenty One (2021)

Between CITY OF READING, a Pennsylvania Third Class City (hereinafter "Grantor"),

A N D

READING AREA COMMUNITY COLLEGE, a Pennsylvania Community College, created by and existing pursuant to P.L. 1132 No. 484, Act of August 24, 1963, known as the Community College Act of 1963, 35 P.S. Section 1541, et seq., as amended (the "Act") (hereinafter "Grantee"),

Witnesseth, That the said Grantor for and in consideration of the sum of \$1.00 lawful money of the United States of America, to well and truly paid by the said Grantee, at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has remised, released and quit-claimed, and by these presents does remise, release and quit-claim unto the said Grantee, and to its heirs and assigns forever, that portion of the Grantor's right-of-way for Penn Street (SR 3422), in the area hereinafter described:

ALL THAT CERTAIN tract or parcel of land, being the legal right-of-way of State Route 3422 (80' wide), also known as Penn Street, situated in the City of Reading, County of Berks, and Commonwealth of Pennsylvania, being more fully bounded and described as follows:

BEGINNING at the intersection of State Route 3422 (Penn Street) and State Route 2006, also known as Second Street (80' wide);

THENCE extending along the westerly right-of-way line of Second Street in a southeasterly direction on a line bearing South One degree, Forty-nine minutes, Forty-seven seconds East (S 01°49'47"E), a distance of One hundred Feet and Seventy-eight hundredths of one foot (100.78'), to a point of curvature;

THENCE leaving the westerly right-of-way line of Second Street and extending along, Lands now or formerly Reading Area Community College the following Two (2) courses, viz:

1. In a northwesterly direction on a curve to the left having a radius of One hundred Thirty-three feet and One tenth of one foot (133.10'), an arc length of Sixty-six feet and Thirteen hundredths of one foot (66.13'), a chord bearing of North Eighteen Degrees, Fourteen minutes, Twenty-four seconds West (N 18°14'24"W), a chord length of Sixty-five feet and Forty-five hundredths of one foot (65.45') to a point;
2. In a southwesterly direction on a line bearing South Eighty-eight degrees, Eighteen minutes, Thirty-seven seconds West (S 88°18'37"W), a distance of Three hundred Eighty-six feet and Thirty-two hundredths of one foot (386.32'), to a point;

THENCE extending along the easterly right-of-way line of South Front Street (Variable Width), in a northwesterly direction on a line bearing North One Degree, Nine minutes, Nine seconds West (N 01°09'09" W), a distance of Sixty feet (60.00'), to a point on the southerly right-of-way line of Penn Street (80' Wide);

THENCE, extending along the southerly right-of-way line of Penn Street (80' Wide) the following Three (3) courses, viz:

1. In a northeasterly direction on a line bearing North Eighty-eight degrees, Eighteen minutes, Thirty-seven seconds East (N 88°18'37' E), a distance of Three hundred Forty-five feet and Sixty-seven hundredths of one foot (345.67'), to a point;
2. In a northwesterly direction on a line bearing North Two degrees, Thirty-four minutes, Two seconds West (N 01°34'02" W), a distance of Six feet and Six-tenths of one foot (6.60'), to a point of curvature;
3. In a southeasterly direction on a curve to the right having a radius of Seventy feet and Eighty-four hundredths of one foot (70.84'), an arc length of Sixty-seven feet and Seventy-seven hundredths of one foot (67.77'), a chord bearing of South Sixty-five degrees, Thirty-eight minutes, Fifty-five seconds East (S 65° 38' 55" E), a chord length of Sixty-five feet and Twenty-two hundredths of one foot (65.22'), to a point, the **POINT OF BEGINNING**.

CONTAINING IN AREA Zero Acres and Fifty-six hundredths of one acre (0.56 AC) of land.

Together with all and singular, the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the reversions, remainders, rents, issues and profits thereof: **AND** also, all the estate, right, title, interest, property, claim and demand whatsoever, as well in law as in equity, of the said Grantor, of, in, or to the above-described premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD all and singular the above-mentioned and described premises, together with the appurtenances, unto the said Grantee, its heirs and assigns forever.

In witness whereof, the said Grantor to these presents hereunto sets its hand and seal the day and year first above written.

Signed, Sealed and Delivered

IN THE PRESENCE OF:

CITY OF READING

BY: _____ (SEAL)

Witness



AGENDA MEMO

Public Works, Utilities Division, Sewers Dept.

TO: City Council
SPONSORED BY: Managing Director
FROM: Stan Rugis, Deputy Director Public Works
THROUGH: Aida R. Acevedo, Human Resource Director
MEETING DATE: September 27, 2021
AGENDA MEMO DATE: September 15, 2021

RECOMMENDATION:

The Administration recommends City Council approval of the base salary increase in the Wastewater Treatment Plant (WWTP) Laboratory Supervisor position by \$5,000.

BACKGROUND:

This position's duties and responsibilities increased tremendously as a result of the change in treatment technologies at the WWTP. This has resulted in an increase in the NPDES-require effluent, process control, sanitary sewer system, and industrial user sampling and analysis as well as the number of parameters being analyzed and accredited by PA DEP for laboratory analysis and environmental reporting. This also places the position on par with other WWTP management positions, responsibilities, certifications, and educational requirements.

BUDGETARY IMPACT:

This is an estimated increase in the budget of approximately \$5,000 which is available from salary savings in position vacancies within the sewer fund. This fund's revenues are received from the City's sewer rate payers as well as the contributory municipalities in accordance with intermunicipal agreements.

PREVIOUS ACTION:

N/A

SUBSEQUENT ACTION:

Council to authorize an amendment the 2021 position ordinance salary.

RECOMMENDED BY:

Mayor, Managing Director, Acting Director of Public Works, Deputy Director of Public Works, and Director of Human Resources

RECOMMENDED MOTION:

Approve the ordinance setting the WWTP Laboratory Supervisor salary as presented.

Referred by: Managing Director / Public Works / Human Resources

Introduced on: Sept 27, 2021

Advertised on: N/A

BILL NO. ____-2021

AN ORDINANCE

**AMENDING THE 2021 POSITION ORDINANCE TO INCREASE THE SALARY OF THE
WASTEWATER TREATMENT PLANT LABORATORY SUPERVISOR**

The Council of the City of Reading hereby ordains as follows:

Section 1. The base salary of the Wastewater Treatment Plant Laboratory Supervisor, shall be an additional \$5,000 annum, payable in equal bi-monthly installments, or as otherwise provided for by ordinance.

Section 2. The Laboratory Supervisor, having been assigned additional responsibilities and duties based upon the change in treatment technology at the WWTP and increased NPDES effluent, process control, sanitary sewer system, and industrial user sampling and analysis as well as an increase in the number of analytical parameters accredited by the PA DEP for environmental reporting shall be compensated for these additional duties by funds provided to the City of Reading's sewer fund. This fund's revenues are provided by the City sewer rate payers and the contributing municipalities in accordance with intermunicipal agreements.

Section 3. The effective date of this salary increase shall be January 1, 2021.

Section 4. All ordinances or parts of ordinances which are inconsistent herewith are hereby repealed.

Section 5. This Ordinance shall become effective ten (10) days after its adoption in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

Adopted _____, 2021

President of Council

Attest:

City Clerk

Sent to Mayor _____

Date: _____

Drafted by: City Clerk
Referred by: Police Chief
Introduced on: Sept 27, 2021
Advertised on: Oct 4, 2021

**BILL _____-2021
AN ORDINANCE**

AN ORDINANCE AMENDING CITY CODE CHAPTER 576 VEHICLES AND TRAFFIC, PART 13 MOTORIZED DEVICES AND ALL-TERRAIN VEHICLES, SECTION 1306 D BY ADDING A REQUIREMENT FOR THE OWNER TO PROVIDE PROOF OF TITLE AND PROOF OF INSURANCE PRIOR TO THE RELEASE OF THE VEHICLE

THE CITY OF READING CITY COUNCIL HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Amending City Code Chapter 576 Vehicles and Traffic, Part 13 Motorized Devices Section 1306 d by adding the requirement for the owner to provide proof of title and proof of insurance prior to the release of the vehicle:

§ 576-1306. Enforcement.

- A. Penalties. The penalty for a violation of this Section relating to the operation of motorized devices and all-terrain vehicles shall be forfeiture of the vehicle. Automatic forfeiture shall apply to all subsequent violations of this section.
- B. Notices of violation and a Seizure Notice shall be issued by the Police Department. Contested charges shall be resolved, penalties shall be imposed, and payments shall be collected and processed by the Police Department.
- C. Seizure. In addition to the notice of violation, whenever a police officer has probable cause to believe a vehicle has been used or is being used in violation of this Section, the officer may seize the vehicle. The vehicle shall be stored at a secure location as determined by the Public Works and Police Departments until the final adjudication of the offense.
- D. Forfeiture. Forfeiture, other than voluntary forfeiture (as set forth below) by the owner, of the impounded vehicle shall be approved or rejected by the Code and License Appeals Board though an appeal by the defendant or vehicle owner. If an appeal hearing is not requested within ten (10) days of the receipt of the Seizure Notice, the Police Department shall issue a list of vehicles with a copy of the Violation Notices and Seizure Notices to the Code and License Appeals Board for approval or rejection.
 - 1. If forfeiture is not awarded, the Police Department shall return the vehicle to the owner after:

- i. The owner pays all penalties and fees for the seizure, tow and storage of the vehicle defined herein; and
 - ii. The owner provides proof of registration, *title and proof of insurance*.
- 2. If forfeiture is awarded, the Police Department shall dispose of the vehicle in an appropriate manner which may include destruction of the vehicle to reduce the opportunity for the vehicle to be used in any manner that would violate this Section.
- 3. If the Police Department cannot identify the legal owner of the impounded vehicle within 45 days, the Department shall file a request for forfeiture that includes the methods used to determine the ownership of the vehicle with the Code and License Appeals Board. The Board shall approve or reject the request at their next meeting. If the request is approved the vehicle(s) shall be immediately destroyed
- E. Voluntary Forfeiture. Any person to whom a ticket is issued may, if he provides proof that he is registered owner of the vehicle, within ten (10) days of receipt of the Seizure Notice, agree to forfeit the vehicle in lieu of contesting the violation and in lieu of other fines and penalties or file an appeal with the Code and License Appeals Board.

F. § 576-1307. Vehicles Seized Prior to the effective date of this Ordinance

Notices of Seizure shall be issued to the owners of vehicles that have been seized prior to the effective date of this ordinance by certified and first class mail notifying the owner that he/she has 30 days to claim the vehicle as per § 576-1306 D 1 above or appeal the seizure to the Code and License Appeals Board as per § 576-1306 B 1 above. Failure to take either action by the owner of the vehicle shall result in the Police Department making a request for forfeiture to the Code and License Appeals Board as per § 576-1306 D 3 above.

SECTION 2. This ordinance shall become effective ten (10) days after its adoption, in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

Enacted _____, 2021

President of Council

Attest:

City Clerk

Submitted to Mayor: _____

Date: _____

Received by the Mayor's Office: _____

Date: _____

Approved by Mayor: _____

Date: _____

Vetoed by Mayor: _____

Date: _____

Drafted by Finance/Law
Sponsored by/Referred by Finance Director
Introduced on September 27, 2021
Advertised on Oct 4, 2021
BILL N O. _____ 2021

ORDINANCE TO AMEND READING, PA CODE OF ORDINANCES GOVERNING THE NEW OFFICERS AND EMPLOYEES PENSION FUND TO PROHIBIT THE PARTICIPATION OF NEW MEMBERS WHERE THE EMPLOYEE IS HIRED OR REHIRED ON OR AFTER JANUARY 1, 2022. THE AFFECTED CODE PROVISION SHALL BE AMENDED TO READ AS FOLLOWS:

THE COUNCIL OF THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Chapter 62, Pensions, is hereby amended as follows:

§ 62-102. Definitions.

MEMBER – An officer or employee who is elected or appointed to an office of, or employed by, the City and becomes a member of the pension fund, for the first time, on or after January 1, 1988 **but before January 1, 2022.** It does not include policemen or firemen. Membership of eligible officers and employees is a required condition of employment. An officer or employee who becomes a member of the Officers and Employees Retirement System before January 1, 1988, shall remain subject to Chapter 62, Part 2, of this chapter, entitled "Officers and Employees Retirement System." Any officer or employee who is reappointed on or after January 1, 1988, having had previous employment prior to January 1, 1988, shall be subject to the pension provisions applying to persons employed prior to January 1, 1988, i.e., Ord. 13-1998, 4-27-1998 (Part 2 of this chapter).). **Any officer or employee who became a member of the pension fund, for the first time, on or after January 1, 1988, but before October 1, 2021, terminates employment, and is reappointed on or after January 1, 2022, shall become a member upon such reappointment for the sole purpose of being credited with vesting service; his/her basic benefit shall be determined based upon his/her average monthly compensation as determined as of his/her prior termination of employment multiplied by the number of years of service completed as of his/her prior termination of employment.**

SECTION 2. All ordinances or parts of ordinances which are inconsistent herewith are hereby repealed.

SECTION 3. This Ordinance shall become effective ten (10) days after its adoption in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

Enacted by Council _____, 2021

President of Council

Attest:

City Clerk

Drafted by	Law
Sponsored by/Referred by	Mayor
Introduced on	September 27, 2021
Advertised on	October 4, 2021

BILL NO. ____-2021

AN ORDINANCE

**AMENDING CHAPTER 23, PART 7, OF THE CODE OF THE CITY OF READING, BY
REPEALING THE MINORITY BUSINESS PROCUREMENT ADVISORY BOARD AND REPLACING IT WITH
THE EQUAL BUSINESS OPPORTUNITY ADVISORY BOARD**

The Council of the City of Reading hereby ordains as follows:

- Section One: Chapter 23, Part 7, of the Code of the City of Reading is amended, by repealing the Minority Business Procurement Advisory Board and replacing it with the Equal Business Opportunity Advisory Board, as specified in Exhibit A hereof.
- Section Two: This Ordinance shall be effective ten (10) days after adoption pursuant to Sections 219 and 221 of the City of Reading Home Rule Charter.

Adopted _____, 2021

President of Council

Attest:

City Clerk

Sent to Mayor _____
Date: _____
Signed by Mayor _____
Date: _____
Vetoed by Mayor: _____
Date: _____
Over-ridden by Council:
Date: _____

EXHIBIT "A"

**Part 7
~~Minority Business Procurement Advisory Board~~**

Equal Business Opportunity Advisory Board

§ 23-701. Policy.

It is the policy of the City, state and federal governments to foster an environment of inclusion in which all businesses are free to participate in business opportunities and to flourish without the impediments of discrimination. Businesses participating in these contracts shall do so on a fair and equitable basis. Vendors on these contracts shall not discriminate against any business because of race, color, religion, national origin, sex, sexual orientation or disability.

There is hereby established an Equal Business Opportunity Advisory Board to advise the City on policies, procedures and practices to enhance participation of MBEs, DBEs, WBEs, SBEs and the lower-to-moderate income residents in procurement of City contracts.

§ 23-702. Definitions.

For the purpose of this Part, the following terms shall have the following respective definitions:

AGE — Includes any person 40 and above and shall also include any other person so protected by further amendment to the Federal Age Discrimination in Employment Act.

AGENCY — Any City office, department, board or commission, including but not limited to the Council of the City of Reading. It shall also mean all legal entities which either:

- A. Receive funds, directly or indirectly, from the City, state or federal governments.
- B. Have entered into continuing contractual or cooperative relationships with the City, including quasi-public agencies, hospitals, schools, etc.
- C. Operate under legal authority granted to them by City ordinance.

~~AGGRIEVED PERSON — Includes such person or persons who believe that they have been injured or will be injured by a discriminatory employment act or practice that has occurred or is about to occur.~~

CERTIFYING AGENCY - A private or public entity designated by the City procurement officers as an agency eligible to certify businesses as Certification Eligible Business.

CERTIFICATION ELIGIBLE BUSINESS OR CEB - any one or more businesses in the group consisting of DBEs, MBEs, SBEs, WBEs and such other categories of business enterprises established by the City procurement officers, or his/her designee, from time to time as eligible for participation in a certification program, when in his/her judgment the best available evidence supports such establishment.

CITY CONTRACTS — ~~All City contracts,~~ **Any City Contract, purchase order or agreement, not including lease of real property or collective bargaining agreement, awarded by any officer or agency of the City** whether competitively bid or negotiated, including but not limited to, any construction contract with a total value in excess of \$10,000 which:

- A. Is paid for in whole or in part with City, state or federal funds.
- B. Is financed either wholly or partially by state or federal funds which are administered by the City.
- C. Is funded in whole or in part by Financial Assistance (See § 23-706 below).

CONTRACTOR - Any person or business entity that enters into a City Contract, including all partners and all joint ventures of such person.

DISABLED PERSON — A person who has a physical or mental impairment which substantially limits one or more of his or her major life activities or has a record of such impairment. "Major life activities" shall mean functions, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

DISADVANTAGED BUSINESS ENTERPRISE or DBE — ~~Any small business enterprise:~~

- ~~A. Which is at least 51% owned and controlled by one or more socially and economically disadvantaged individuals.~~
- ~~B. In the case of any publicly owned business, one in which at least 51% of the stock is owned by one or more socially and economically disadvantaged individuals, associations or groups; provided, however, that a reputable presumption shall exist that any person that has received more than \$5,000,000 in three consecutive years of contract work from the City is not a DBE, and; provided further, that any previous certification of any such person as a DBE shall be reevaluated pursuant to regulations to be promulgated by the MBEC.~~

When connected to a contract that is funded in whole or in part from state or federal governmental sources, means a business entity designated pursuant to the rules and regulations of such governmental source, and included a City designated certifying agency.

DISCRIMINATE and DISCRIMINATION — **Conduct used to deny someone equal protection of the laws and which** includes any difference in treatment based on race, color, religion, ancestry, national origin, age, sex, familial status, handicap or previous filing of a complaint of discrimination.

DISPARITY ANALYSIS — ~~In the City of Reading, the level of DBEs are underutilized in the performance of various types of contracts.~~

~~**FAMILIAL STATUS** — One or more individuals, who have not obtained the age of 18 years being domiciled with:~~

- ~~A. A parent or another person having legal custody of such individual or individuals.~~

- ~~—B. The designee of such parent having such custody, with the written permission of such parent or other person.~~
- ~~—C. Any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years.~~

FINANCIAL ASSISTANCE — Any grant, loan, incentive or abatement provided by, or with the authority or approval of, the City or a City-related agency, including but not limited to bond financing subsidies, tax increment financing aid, industrial development bonds, use of the power of eminent domain, land or property acquisition, Community Development Block Grant loans or grant, ~~airport~~ revenue bonds, Enterprise Zone designations, and aid from any federal, state or City or other similar agencies.

INDIVIDUAL — A natural person.

HANDICAP — With respect to a person, a physical or mental impairment which substantially limits one or more major life activities; a record of having such an impairment; or being regarded as having such an impairment.

Minority-Owned Business or MBE — A Minority business enterprise including any local owned business which is at least 51 percent owned by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51 percent of the stock of which is owned by one or more members of one or more minority groups whose management and daily business operations are controlled by one or more members of one or more minority groups, and which is not an established business.

MCA — The Minority Contractors Association.

MINORITY BUSINESS PROCUREMENT ADVISORY BOARD (MBPAB) — The entity within the Administrative Services Department responsible for the development, implementation, monitoring and enforcing the procedures and goals set forth in this chapter.

MINORITY PERSON — A person who is a citizen or lawful permanent resident of the United States and who is:

- A. African American (a person having origins in any of the black racial groups in Africa).
- B. Hispanic American (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race).
- C. Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands).
- D. Native American (a person having origins in any of the original peoples of North America).

E. For purposes of contracts funded by state or federal governmental sources, groups found to be eligible for the purposes of DBEs by such governmental sources.

NON-JOB-RELATED HANDICAP OR DISABILITY — Any handicap or disability which does not substantially interfere with the ability to perform the essential functions of the employment which a handicapped person applies for, is engaged in, or has been engaged in. Uninsurability or increased cost of insurance under a group or employee insurance plan does not render a handicap or disability job-related.

PERSON — A corporation, partnership or association, or any combination thereof, as well as a natural person.

PROCUREMENT - Includes buying, purchasing, renting, licensing, or acquisition of any supply, service, or product. Procurement also includes all functions that pertain to obtaining any supply, service, or product, including drafting the requirements, the selection and solicitation of sources, the preparation, review, and award of contract, and all phases of the contract administration.

SMALL BUSINESS ENTERPRISE or SBE — A business which is independently owned and operated and which is not dominant in its field of operation as further defined in the Small Business Size Regulations, adopted by the U.S. Small Business Administration and published in the U.S. Code of Federal Regulations, including the industry size standards set forth in the table contained therein, which regulations are incorporated herein, and made a part hereof by reference.

SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS — Those who have either been subjected to racial, sexual or ethnic prejudice because of their identity as a member of a group or to differential treatment because of their disability without regard to their individual qualities, and whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business who are not socially disadvantaged.

- A. In determining who are socially and economically disadvantaged individuals, ~~the Minority Business Procurement Advisory Board~~ **Equal Business Opportunity Advisory Board** may make a reputable presumption that all minority persons, all women and all disabled persons shall be so classified.
- B. The Minority Business Procurement Advisory Board, in determining whether an individual shall be classified as a socially and economically disadvantaged individual, shall also consider, among other things, the extent of the liquid assets and net worth of such socially disadvantaged individuals.

WOMEN BUSINESS ENTERPRISE or WBE — Any Women Business Enterprise:

- A. Which is at least 51% owned and controlled by one or more socially and economically disadvantaged women.
- B. In the case of any publicly owned business, one in which at least 51% of the stock is owned by one or more socially and economically disadvantaged women, associations or groups; provided, however, that a reputable presumption shall exist that any person that has received more than \$5,000,000 in three consecutive years of contract work from the City is not a WBE, and; provided further, that any previous certification of any such

person as a WBE shall be reevaluated pursuant to regulations ~~to be promulgated by the MBEC.~~

§ 23-703. ~~Minority Business Procurement Advisory Board. Purpose~~

~~A. Stated mission. The Board's purpose is~~ to advise the administration on issues and policies concerning enhanced participation, to the maximum extent feasible, ~~in employment practices of third-party contractors~~ at all levels, included but not limited to apprenticeship programs, training programs, etc., for MBEs, DBEs, WBEs, and the lower-to-moderate income residents, etc. within the distressed areas as mandated by City, state and federal governments regulations.

~~B. Meeting dates. First week of the month.~~

~~C. Appointment by Mayor (usually with recommendations from sitting Board members and the Minority Contractors Association) with the approval of City Council.~~

~~D. Length of term: two years.~~

~~E. Accountability to City: reports.~~

~~F. Revenue source: City General Fund.~~

~~G. Number of Board members. Seven members shall be appointed, including but not limited to the following: one rep. Housing Authorities Sector, two reps. Minority Contractors Association, one rep. as Chamber of Commerce Designee, and three community members at large. Representation of members of the Board should reflect the demographics of the City.~~

§ 23-704. ~~Minority Business Procurement Advisory Board. Membership and Officers~~

~~A. There is hereby established in the Finance Department, a Minority Business Procurement Advisory Board to advise the Administration on policies, procedures and practices to enhance participation of MBEs, DBEs, WBEs, SBEs and the lower to moderate income residents, etc. in procurement of City contracts and all employment practices.=~~

~~BA. The Board shall consist of seven members, each to be appointed by the Mayor for a two-year term, with City Council approval. The members of the Board may be reappointed to successive terms of office. Each member of the Board shall continue to serve after their term until their successor has been qualified and appointed. Appointments of new term members shall be made 60 days prior to the expiration of the current term. Vacant seats on the Board shall be filled within 90 days. Three members at large from the community will also serve on the Board.~~

The Board will consist of five members, each to be appointed by the Mayor, with City Council approval, for a three year term. The terms shall be staggered so that no more than two member's terms expire in the same calendar year.

~~CB. The Board shall elect one of its members as Chairman and may elect such other officers as it may deem necessary. The Chairman may, with the approval of the Board, appoint such committees as may be necessary to carry out the powers and duties of the Board, and the members may authorize such committees to take any necessary action for the Board.~~

Membership will include a member who is a minority business owner, a member of the Building/Trades Council, a member of the Chamber of Commerce, a procurement professional, and a resident at large.

~~D C.~~ The Board shall adopt such rules and regulations for its own organization, operations and procedures as the Board shall deem necessary to administer, implement and enforce this Part 7.

The members of the Board may be reappointed to successive terms of office. Each member of the Board shall continue to serve after their term until their successor has been qualified and appointed.

~~E-D.~~ The Board shall hold at least four public meetings during each calendar year. Four members of the Board shall constitute a quorum for the transaction of business, and a majority vote of those present at any meeting shall be sufficient for any official action taken by the Board. Members are required to vote on all issues. However, in case of a valid absence approved by the Chairman, the member is required to vote either by abstaining or via proxy, whichever is deemed appropriate. Members who have failed to fulfill their duties, including but not limited to two missed votes, shall first receive a warning. However, further violation of their duties will render an immediate resignation.

The members of the Board shall serve without compensation, but upon resolution of Council, they may be reimbursed for all necessary expenses incurred in the performance of their duties in accordance with appropriations made by Council.

F-E. The Board shall elect one of its members as Chairman and may elect such other officers as it may deem necessary. The Chairman may, with approval of the Board, appoint such committees as may be necessary to carry out the powers and duties of the board.

~~G F.~~ In the event that no members shall be able and available to exercise any of or fulfill any of the duties of the Board, the Mayor may appoint one or more members temporarily, with the approval of City Council, to assume the powers and/or fulfill the duties of the Board. Such appointment may be limited in duration of term and in scope of the powers and duties of any members so appointed.

In the event that a member wishes to resign, they must do so in writing to the Chairman of the MBPAB **board**. A copy of this letter should be provided to all members for information purposes only.

H G. The Board shall adopt such rules and regulations for its own organization, operation and procedures as the board shall deem necessary to administer and implement this Part 7.

I H. The Finance Director, or a designee, shall make reasonable effort to accommodate the monitoring of MBEs, DBEs, WBEs, SBEs, and lower-to-moderate income businesses and subcontractors participating in City contracts and its procurement process.

I. Removal of members. Any member may be removed for misconduct or neglect of duty or for other just cause by a majority vote of Council taken after the member has received 15 days' advance notice of the intent to take such vote. Failure of a member to attend three consecutive regular meetings of the Board will constitute grounds for immediate removal from the Board by City Council. Failure of a member to attend at least 50% of the regular meetings of the Board in a calendar year will constitute grounds for immediate removal from the Board by City Council. The Chairperson of the Board shall inform the City Clerk in writing when a member has failed to comply with this attendance policy. Following such notification, City Council may vote to remove the member and seek applicants to fill the vacant position.

§ 23-705. Meetings

The Board shall hold at least four quarterly public meetings during each calendar year. Three members of the Board shall constitute a quorum for the transaction of business, and a majority vote of those present at any meeting shall be sufficient for any official action taken by the Board.

§ 23-705 706. Powers and duties of Board.

~~The Minority Business Procurement Advisory Board shall have no powers or duties but shall serve in an advisory capacity to the administration only.~~

The Equal Business Opportunity Advisory Board shall advise the City in accord with the policy set forth herein and in doing so may also:

1. Develop a procedure to advise the City in outreaching and encouraging MBES, DBES, WBES, SBES and lower-to-moderate income businesses to participate in procurement.
2. Develop a procedure to advise the City in outreaching and encouraging MBES, DBES, WBES, SBES and lower-to-moderate income businesses to participate in City contracts as subcontractors.
3. Advise the City on the total number of MBES, DBES, WBES, SBES and lower-to-moderate income businesses in the Berks County Standard Statistical Area.
4. Maintain a listing of all eligible vendors and make it available to all agencies.
5. Develop a process to ensure all majority contractors are aware of the existence and identity of MBES, DBES, WBES, SBES and lower-to-moderate income businesses in Reading and Berks County.
6. Provide an annual written report to the City Administration and Council on the MBES, DBES, WBES, SBES and lower to-moderate income businesses participating in City contracts, including subcontractors, and its procurement process.
7. Develop appropriate policies and procedures for monitoring the Board's mission and policy.

§ 23-706707. City contracts.

All contracts of the City and its contracting agencies shall encourage the contractor to comply with the policy of this article to enhance the participation of MBES, DBES, WBES, SBES and the lower-to-moderate income residents, etc., therewith and to comply with any state or federal law or laws or regulations relating to unlawful employment practices in connection with any work to be performed thereunder and shall require the contractor to include a similar provision in all subcontracts.

§ 23-707. Procedure.

~~A. The MBPAB, or any subsequent successor, shall advise the administration in accord with the policy set forth herein and in so doing shall also:~~

- ~~—(1) Advise a procedure to ensure the City is outreaching and encouraging to MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses to participate in procurement.~~
- ~~—(2) Advise a procedure to ensure the City is outreaching and encouraging to MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses to participation in City contracts as subcontractors.~~
- ~~—(3) Ascertain and advise the Administration, within 90 days of the enactment of this Part, the total number of MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses in the Berks County Standard Statistical Area.~~
- ~~—(4) Maintain a listing of all such residents and make it available to all agencies.~~
- ~~—(5) Advise a process to ensure all majority contractors are aware of the existence and identity of MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses.~~
- ~~—(6) Survey such businesses to ascertain how to establish accessibility of MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses to the City's procurement process and report findings to administration and Council.~~
- ~~—(7) Survey such businesses to ascertain how to establish accessibility of MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses to participation in City contracts as subcontractors and report findings to administration and Council.~~
- ~~—(8) Report to the administration and Council the MBEs, DBEs, WBEs, SBEs and lower to-moderate income businesses on biannual basis (every six months) of participation in City contracts and its procurement process.~~
- ~~—(9) Report to the administration and Council the MBEs, DBEs, WBEs, SBEs and lower to-moderate income businesses on biannual basis (every six months) of participation in City contracts as subcontractors.~~
- ~~—(10) Advise administration and Council of percentage of MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses participation in City contracts and its procurement process.~~
- ~~—(11) Advise administration and Council of percentage of MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses participation in City contracts as subcontractors.~~
- ~~—(12) Advise administration and Council of appropriate policies and procedures for aid in monitoring and obtaining Board's mission and policy.~~

- ~~—B. The Finance Director, in conjunction with the MBPAB, shall assemble and furnish to such procurement records and documents of the various agencies, cooperative relationships, etc. as are necessary for the monitoring MBEs, DBEs, WBEs, SBEs and lower-to-moderate income businesses participation in City contracts and its procurement process and subcontractors.~~



AGENDA MEMO

City Auditor Office

TO: City Council
SPONSORED BY: City Auditor
FROM: Maria M. Rodriguez, City Auditor
MEETING DATE: September 27, 2021
AGENDA MEMO DATE: September 21, 2021

RECOMMENDATION:

The City Auditor recommends City Council approval of the base salary increase for the Auditing Coordinator position by \$3,600.

BACKGROUND:

To bring the salary of the auditing coordinator position in line with other accounting management positions with similar responsibilities and requirements.

BUDGETARY IMPACT:

This is an increase in the budget of \$3,600 which is available from salary savings in the salary line item of the City Auditor 2021 budget.

PREVIOUS ACTION:

N/A

SUBSEQUENT ACTION:

Council to authorize approval of the base salary increase in the City Auditor Office for the Auditing Coordinator position from \$51,400.00 to \$55,000.00.

RECOMMENDED BY:

City Auditor

RECOMMENDED MOTION:

Approval of the ordinance setting the Auditing Coordinator salary as presented.

Drafted by: City Auditor

Referred by: City Auditor

Introduced on: 9/27/2021

Advertised on: N/A

**BILL NO. ____-2021
AN ORDINANCE**

**AUTHORIZING THE AMENDMENT OF THE 2021 POSITION ORDINANCE TO INCREASE THE
SALARY OF THE AUDITING COORDINATOR POSITION**

The Council of the City of Reading hereby ordains as follows:

- Section 1: Amending the 2021 Position Ordinance by increasing the salary of the Auditing Coordinator position by \$3,600.00 to bring this salary in line with others in the accounting department with similar responsibilities, experiences and education requirements.
- Section 2. This Ordinance shall become effective ten (10) days after its adoption in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

Adopted _____, 2021

President of Council

Attest:

City Clerk

Sent to Mayor _____

Date: _____

Signed by Mayor _____

Date: _____

Vetoed by Mayor: _____

Date: _____

Over-ridden by Council:

Date: _____



AGENDA MEMO

FIRE DEPARTMENT

TO: City Council
FROM: Fire Chief William Stoudt Jr.
PREPARED BY: Fire Chief William Stoudt Jr.
MEETING DATE: September 27, 2021
AGENDA MEMO DATE: September 22, 2021
REQUESTED ACTION: AUTHORIZE THE REALLOCATION OF FUNDS FOR THE CONSTRUCTION OF THE NEW 9TH & MARION FIRE STATION

RECOMMENDATION

The Finance Department Director and Fire Chief requests the approval of the reallocation of funds totaling \$1,000,000.00, for general contracting, within the Fund 43 City Facilities Construction Fund 2021 Budget. \$1,000,000.00 from 43-09-34-3990 to Line Item 43-09-34-4801

BACKGROUND

The Department of Fire & Rescue Services with the approval of the administration of Council had acquired the services of Boyle Construction for project management and Mann's Woodward Studios as the Architect for the Construction of a New Fire Station at 9th & Marion Streets. The contracts for the construction of the new station are in the approval process and these funds will be required for the payment of services.

BUDGETARY IMPACT

As this is an appropriation of funds within the Fund 43 City Facilities Construction Fund Budget, 43-09-34-3990, Transfer from Fund Balance, will increase by \$1,000,000 and 43-09-34-4801, Building and Building Improvements, will increase by \$1,000,000.

PREVIOUS ACTIONS

None

SUBSEQUENT ACTION

None

RECOMMENDED BY

The Finance Department Director and Fire Chief recommends approval.

RECOMMENDED MOTION

Approval of the appropriation of the funds as listed.

Drafted by: Fire Chief and Fire Administrative Officer
Sponsored/Referred by: Fire Chief
Introduced on: September 27, 2021

BILL NO. ____-2021

AN ORDINANCE

AMENDING THE 2021 CITY FACILITIES CONSTRUCTION FUND ORDINANCE TO REFLECT THE APPROPRIATION OF FUNDS WITHIN THE CITY FACILITIES CONSTRUCTION FUND BUDGET TO PROVIDE THE NECESSARY FUNDING FOR THE 2021 CONSTRUCTION OF THE NEW 9TH & MARION FIRE STATION.

The Council of the City of Reading hereby ordains as follows:

Section One: The 2021 Fund 43 City Facilities Construction Fund Budget Ordinance is hereby amended by changing the ordinance to provide the funds needed for the construction of the New 9th & Marion Fire Station. The funds will be paid by a reallocation of funds within the City's Facilities Construction Fund Budget.

Section Two: The construction will be paid from the City's Facilities Construction Fund Budget, Line Item 43-09-34-4801 Building and Building Improvements. The funds being reallocated will result in an increase of \$1,000,000.00 to the Fund 43 City Facilities Construction Fund Balance Line Item 43-09-34-3990 and an increase of \$1,000,000.00 to the Fund 43 City Facilities Construction Fund Line Item 43-09-34-4801.

Section Three: This Ordinance shall be effective ten (10) days after adoption pursuant to Sections 219 and 221 of the City of Reading Home Rule Charter.

Adopted _____, 2021

President of Council

Attest:

City Clerk

Sent to Mayor _____

Date: _____

Signed by Mayor _____

Date: _____

Vetoed by Mayor: _____

Drafted by	Finance/Law
Sponsored by/Referred by	Finance Director
Introduced on	September 27, 2021

BILL NO. _____ 2021

**ORDINANCE TO AMEND READING, PA CODE OF ORDINANCES TO ADOPT THE CITY
OF READING OFFICERS AND EMPLOYEES DEFINED CONTRIBUTION PLAN**

THE COUNCIL OF THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Chapter 62, Pensions, is hereby amended as follows:

§ 62-601.

The City of Reading has adopted the City of Reading Officers and Employees Defined Contribution Plan which is incorporated into this Chapter as Appendix “B.”

SECTION 2. All ordinances or parts of ordinances which are inconsistent herewith are hereby repealed.

SECTION 3. This Ordinance shall become effective ten (10) days after its adoption in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

Enacted by Council _____, 2021

President of Council

Attest:

City Clerk

Sent to Mayor _____

Signed by Mayor _____

Date: _____

Vetoed by Mayor: _____

Date: _____

Over-ridden by Council:

Date: _____

Appendix B

City of Reading Officers and Employees Defined Contribution Plan

**Effective
November 1, 2021**

City of Reading Officers and Employees Defined Contribution Plan

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This plan document has been created from the model document developed by Conrad M. Siegel, Inc. For further information regarding the drafter's intended meaning of plan provisions contact Conrad M. Siegel, Inc. by letter (P.O. Box 5900, Harrisburg, Pennsylvania 17110-0900) or telephone (717-652-5633). You may also contact us through our website at conradsiegel.com.

PREAMBLE

This plan, executed on the date indicated at the end hereof, is made effective as of November 1, 2021, except as provided otherwise in Section 1.3(c), by City of Reading, a government agency/instrumentality, with its principal office located in Reading, Pennsylvania.

W I T N E S S E T H :

WHEREAS, the employer desires to establish a permanent qualified money purchase pension plan in order to provide its employees and their beneficiaries with financial security in the event of retirement, disability, or death;

NOW THEREFORE, the premises considered, the following are the provisions of the qualified plan of the employer.

ARTICLE I – DEFINITIONS

Section 1.1 – References

- (a) **Act 205** means the Municipal Pension Plan Funding Standard and Recovery Act, act of December 18, 1984, P.L. 1005 no. 205, as amended, 53 P.S. 895.101, *et seq.* as enacted by the Commonwealth of Pennsylvania.
- (b) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended.
- (c) **IRC** means the Internal Revenue Code of 1986, as it may be amended from time to time.

Section 1.2 – Compensation

- (a) **Compensation** means, except as provided in Section 1.2(b) hereof, any earnings reportable as W-2 wages for federal income tax withholding purposes plus elective contributions, for the determination period. For this purpose, the determination period is the plan year.

Picked-up contributions under IRC section 414(h)(2) shall be included in the participant's compensation. Such earnings shall include any amount contributed to a Roth elective deferral account under a qualified plan. However, compensation shall not include any earnings reportable as W-2 wages that are payable following the termination of employment pursuant to a severance agreement.

Elective contributions are amounts excludable from the employee's gross income and contributed by the employer, at the employee's election to:

- A cafeteria plan (excludable under IRC section 125 and as provided in Section 5.1(c)(2));
- A IRC section 401(k) arrangement (excludable under IRC section 402(e)(3));
- A simplified employee pension (excludable under IRC section 402(h));
- A tax sheltered annuity (excludable under IRC section 403(b));
- A deferred compensation plan excludable under IRC section 457(b); or
- A IRC section 132(f)(4) qualified transportation fringe benefit plan.

Any reference in this plan to compensation shall be a reference to the definition in this Section 1.2, unless the plan reference specifies a modification to this definition. The plan administrator shall take into account only compensation actually paid by the employer for the relevant period. A compensation payment includes compensation by the employer through another person under the common paymaster provisions in IRC sections 3121 and 3306. Compensation from an employer that is not a participating employer under this plan shall be excluded.

- (b) **Exclusions From Compensation** – Notwithstanding the provisions of Section 1.2(a), the following types of remuneration shall be excluded from the participant's compensation:
 - No exclusions.
- (c) **Limitations on Compensation** – For any plan year beginning after December 31, 2001, the plan administrator shall take into account only \$200,000 (as adjusted for cost-of-living increases in accordance with IRC section 401(a)(17)(B) for plan years beginning on or after January 1, 2003) of any participant's annual compensation for determining all benefits provided under the plan. The compensation dollar limitation for a plan year shall be the limitation amount in effect on January 1 of the calendar year in which the plan year begins. Annual compensation means compensation during the plan year or such other 12-consecutive-month period over which compensation is otherwise determined under the plan (the determination period for purposes of Section 1.2). If compensation for any prior determination period is taken into account in determining a participant's allocations for the current plan year, the compensation for such prior

determination period is subject to the applicable annual compensation limit in effect for that prior period. For any plan year beginning on or before January 1, 2002, the plan administrator shall take into account only \$200,000. For any plan year beginning after December 31, 1995, the plan administrator shall take into account only \$150,000 (or beginning January 1, 1995, as adjusted for cost-of-living increases in accordance with IRC section 401(a)(17)(B)) of any participant's compensation for determining all benefits provided under the plan for a determination period. If the plan should determine compensation on a period of time that contains less than 12 calendar months (such as for a short plan year), the annual compensation dollar limitation shall be an amount equal to the compensation dollar limitation for the plan year multiplied by the ratio obtained by dividing the number of full months in the period by 12.

Notwithstanding the preceding, in the case of an eligible participant, the annual compensation dollar limitation shall not apply to the extent that the application of the limitation would reduce the amount of compensation that is allowed to be taken into account under the plan below the amount that was allowed to be taken into account under this plan as in effect on July 1, 1993. For this purpose, an eligible participant is an individual who first became a participant in the plan during a plan year prior to the first day of the first plan year beginning after December 31, 1995.

Section 1.3 – Dates

- (a) **Accounting Date** means the date(s) on which investment results are allocated to participants' accounts as set forth below:

December 31

- (b) **Allocation Date** means the last day of the of the plan year. The allocation period for the employer contribution shall be the plan year.

Employee nondeductible contributions shall be allocated as of the last day of each payroll period.

- (c) The **Effective Date** of the plan is November 1, 2021.
- (d) **Plan Entry Date** means the participation date(s) specified in Article II.
- (e) **Plan Year** means the 3-consecutive-month period beginning November 1, 2021 and ending December 31, 2021 and each succeeding 12-consecutive-month period beginning on January 1 and ending on December 31.
- (f) **Limitation Year** means the plan year.

Section 1.4 – Employee

- (a) **Employee** means any person employed by the employer. The term employee shall include any employee of the employer maintaining the plan or of any other employer required to be aggregated with such employer under IRC section 414(b), (c), (m), or (o). The term employee shall also include any leased employee deemed to be an employee of any such employer as provided in IRC section 414(n) or (o) and as defined in Section 1.4(b).
- (b) **Leased Employee** means an individual (who otherwise is not an employee of the employer) who, pursuant to a leasing agreement between the employer and any other person, has performed services for the employer (or for the employer and any persons related to the employer within the meaning of IRC section 414(n)(6)) on a substantially full time basis for at least one year and such services are performed under the primary direction or control of the employer. If a leased employee is treated as an employee by reason of this Section 1.4(b), compensation from the leasing organization that is attributable to services performed for the employer shall be considered as compensation under the plan. Contributions or benefits provided a leased employee by the leasing organization that are attributable to services performed for the employer shall be treated as provided by the employer.

Section 1.5 – Employer

Employer means City of Reading, a political subdivision of the Commonwealth of Pennsylvania (or agency or authority thereof), or any successor entity that may assume the obligations of this plan with respect to its employees by becoming a party to this plan.

In compliance with the exclusive benefit requirements of IRC section 401(a), the sponsorship of this plan may not be transferred to an unrelated entity if the transfer is not in connection with a transfer of business assets or operations from the employer to such entity.

Section 1.6 – Fiduciaries

- (a) **Chief Administrative Officer** means the person appointed by the employer or the employer's Board of Trustees as described in Section 6.2 who has primary responsibility for the execution of the administrative affairs of the plan.
- (b) **Plan Administrator** means the person or persons appointed by the employer to administer the plan.
- (c) **Trustee** means the trustee named in the trust agreement executed pursuant to this plan, or any duly appointed successor trustee.
- (d) **Investment Manager** means a person or corporation other than the trustee appointed for the investment of plan assets.

Section 1.7 – Participant/Beneficiary/Spouse

- (a) **Participant** means an eligible employee of the employer who becomes a member of the plan pursuant to the provisions of Article II, or a former employee who has an accrued benefit under the plan.
- (b) **Beneficiary** means a person designated by a participant who is or may become entitled to a benefit under the plan. A beneficiary who becomes entitled to a benefit under the plan remains a beneficiary under the plan until the trustee has fully distributed his benefit to him. A beneficiary's right to (and the plan administrator's, or a trustee's duty to provide to the beneficiary) information or data concerning the plan shall not arise until he first becomes entitled to receive a benefit under the plan.
- (c) **Spouse** means the person married to the participant at the time of the determination as evidenced by a marriage certificate issued pursuant to a license valid under the laws of the place of issuance.
- (d) **Dependent** means a dependent as defined by IRC section 152 without regard to section 152(d)(1)(B).

Section 1.8 – Participant Accounts

- (a) **Accrued Benefit** means the total of the participant's account balance(s) as of the accounting date falling on or before the day on which the accrued benefit is being determined.
- (b) **Money Purchase Account** means the balance of the separate account derived from employer contributions provided under Section 3.2, including forfeitures (if any).
- (c) **Employee Contribution Account** means the balance of the separate account derived from the participant's employee contributions as provided under Section 3.3.
- (d) **Rollover/Transfer Account** means the balance of the separate account derived from rollover contributions and/or transfer contributions as provided under Section 3.4.

Section 1.9 – Plan

Plan means City of Reading Officers and Employees Defined Contribution Plan as set forth herein and as it may be amended from time to time.

Section 1.10 – Service

- (a) **Application of This Section** – The definitions and provisions of Section 1.10(c) hour of service rules shall apply for the purpose of determining vesting service. The definitions and provisions of Section 1.10(d) elapsed time rule shall apply for the purpose of determining eligibility service.
- (b) **Service** means any period of time the employee is in the employ of the employer. Separation from service means that the employee no longer has an employment relationship with the employer.
- (c) **Service Determined by Hours of Service Credited**

(1) (A) **Hour of Service** means:

- (i) Each hour for which an employee is paid, or entitled to payment, for the performance of duties for the employer. These hours shall be credited to the employee for the computation period in which the duties are performed; and
- (ii) Each hour for which an employee is paid, or entitled to payment, by the employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. No more than 501 hours of service shall be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period). An hour of service shall not be credited to an employee under this paragraph if the employee is paid, or entitled to payment, under a plan maintained solely for the purpose of complying with applicable worker's compensation or unemployment compensation or disability insurance laws; and
- (iii) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the employer. The same hours of service shall not be credited both under clause (i) or clause (ii), as the case may be, and under this clause (iii). These hours shall be credited to the employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement, or payment is made.

Hours of service shall be determined on the basis of actual hours for which an employee is paid or entitled to payment. The above provisions shall be construed so as to resolve any ambiguities in favor of crediting employees with hours of service.

- (B) Solely for purposes of determining whether a break in service for participation and vesting purposes has occurred in a computation period, an individual who is absent from work on unpaid leave under the Family and Medical Leave Act shall receive credit for the hours of service that would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, 8 hours of service per day of such absence. Such an individual shall be treated as actively employed for the purposes of participation and eligibility for an allocation of any employer contribution that may be provided under this plan. Notwithstanding the preceding, this paragraph shall not apply if the employer or the particular employee is not subject to the requirements of the Family and Medical Leave Act at the time of the absence.
 - (C) If the employer is a member of an affiliated service group under IRC section 414(m) or a controlled group of corporations under IRC section 414(b), or any other entity required to be aggregated with the employer pursuant to IRC section 414(o) as these Internal Revenue Code provisions are applied to a governmental entity, service shall be credited for any employment for any period of time for any other member of such group. Service shall also be credited for any leased employee who is considered an employee for purposes of this plan under IRC section 414(n) or IRC section 414(o).
- (2) **Break in Service (or One Year Break in Service)** means a 12-consecutive-month computation period during which a participant or former participant does not complete the

specified number of hours of service with the employer as set forth in Section 2.1(b) (eligibility service) and Section 4.1(b) (vesting service), as applicable per Section 1.10(a).

- (3) **Year of Service** means a 12-consecutive-month computation period during which the employee completes the required number of hours of service with the employer as specified in Section 2.1(a) (eligibility service) and Section 4.1(a) (vesting service), as applicable per Section 1.10(a). For purposes of crediting years of service, hours of service credited in accordance with Section 1.10(c)(1)(C) shall be taken into account.

(d) **Service Determined by Elapsed Time**

- (1) **Hour of Service** means each hour for which an employee is paid or entitled to payment for the performance of duties for the employer.

- (2) **Break in Service** means a period of severance of at least 12 consecutive months.

- (3) (A) **Period of Severance** means a continuous period of time during which the employee is not employed by the employer and is not credited with an hour of service. Such period begins on the date the employee retires, terminates service, or if earlier, the date on which the employee was otherwise first absent from service.

(B) If the employer is subject to the Family and Medical Leave Act of 1993 due to its employment of fifty employees, in the case of an individual who is absent from work for maternity or paternity reasons, the 12-consecutive-month period beginning on the first anniversary of the first date of such absence shall not constitute a break in service. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence: (i) by reason of the pregnancy of the individual, (ii) by reason of the birth of a child of the individual, (iii) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (iv) for purposes of caring for such child for a period beginning immediately following such birth or placement.

- (4) **Other Service Credited** – If the employer is a member of an affiliated service group under IRC section 414(m) or a controlled group of corporations under IRC section 414(b), or any other entity required to be aggregated with the employer pursuant to IRC section 414(o) as these Internal Revenue Code provisions are applied to a governmental entity, service shall be credited for any employment for any period of time for any other member of such group. Service shall also be credited for any leased employee who is considered an employee for purposes of this plan under IRC section 414(n) or (o).

- (5) **Year of Service** means 12 months of service, excluding any breaks in service. For purposes of determining an employee's initial year of service upon his employment or re-employment, the initial year of service shall commence on the employee's first day of employment or re-employment. The first day of employment is the first day the employee performs an hour of service. The first day of re-employment is the first day the employee performs an hour of service following a break in service. An initial year of service shall end on the day immediately preceding the first anniversary of the employee's date of hire or rehire. Any subsequent year of service shall commence on the day following the completion of the immediately preceding year of service.

- (e) **Crediting Years of Service** – Generally, no service shall be credited for periods during which the employee performs no services for the employer. Further, no more than one year of service will be credited for any 12-consecutive-month period.

- (f) **Predecessor Service** – If the employer maintains the plan of a predecessor employer, service with such predecessor employer shall be treated as service for the employer. If the employer does not maintain the plan of a predecessor employer, then service as an employee of a predecessor employer shall not be considered as service under the plan, unless this plan is so amended.

- (g) **Qualified Military Service** – Notwithstanding any provision of this plan to the contrary, effective December 12, 1994, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with IRC section 414(u) and the applicable Pennsylvania statutes. An employee reemployed after qualified military service shall not be treated as having incurred a break in service, for purposes of vesting and benefit accruals, solely because of an absence due to qualified military service.

Effective with respect to deaths occurring on or after January 1, 2007, in the case of a participant who dies while performing qualified military service, the beneficiary(ies) of the participant shall be entitled to any benefits payable under Section 4.2(a)(5) that would have been payable had the participant resumed and then immediately terminated employment on account of death.

Section 1.11 – Trust

- (a) **Trust** means the qualified trust created under the employer's plan.
- (b) **Trust Fund** means all property held or acquired by the plan.

ARTICLE II – PARTICIPATION

Section 2.1 – Eligibility Service

For purposes of determining an employee's initial or continued eligibility to participate in the plan, an employee shall receive credit for the aggregate of all time periods commencing with the employee's first day of employment or re-employment and ending on the date a break in service begins, except for periods of service disregarded under Section 2.4. The first day of employment or re-employment is the first day the employee performs an hour of service. Fractional periods of a year will be expressed in terms of days.

Section 2.2 – Plan Participation

(a) **Eligibility**

(1) **Eligibility for Purposes of Employee Contributions**

- (A) **Age/Service Requirements** – An employee who is a member of the eligible class of employees shall be eligible for the purpose of making employee contributions (and any rights pertaining thereto) after he has satisfied the following participation requirement(s):

- (i) Completion of one hour of service with the employer.
- (ii) No age requirement.

- (B) **Eligible class of employees** – All employees of the employer shall be eligible to be covered under the plan except for employees in the following categories:

- Individuals not directly employed by the employer as defined in Section 1.5. An employee of an entity that is not a participating employer in this plan shall not participate in this plan.
- Employees employed as police officers.
- Employees employed as paid firemen.
- Employees hired before November 1, 2021 who are covered under the City of Reading Officers and Employees Pension Plan.
- Leased employees who are considered employees under the plan.
- Employees who are non-resident aliens (as defined in IRC section 7701(b)(1)(B)) and who receive no earned income (as defined in IRC section 911(d)(2)) from the employer that constitutes income from sources within the United States (as defined in IRC section 861(a)(3)).

(2) Eligibility for All Other Purposes

(A) **Age/Service Requirements** – An employee who is a member of the eligible class of employees shall be eligible for participation for all purposes under the plan after he has satisfied the following participation requirement(s):

- (i) Completion of 36 months of employment. An employee shall not be required to complete any specified number of hours of service to receive credit for such months of employment.
- (ii) No age requirement.
- (iii) Completion of the form consenting to mandatory employee contributions under the plan.

(B) **Eligible class of employees** – All employees of the employer shall be eligible to be covered under the plan except for employees in the following categories:

- Individuals not directly employed by the employer as defined in Section 1.5. An employee of an entity that is not a participating employer in this plan shall not participate in this plan.
- Employees employed as police officers.
- Employees employed as paid firemen.
- Employees hired before November 1, 2021 who are covered under the City of Reading Officers and Employees Pension Plan.
- Leased employees who are considered employees under the plan.
- Employees who are non-resident aliens (as defined in IRC section 7701(b)(1)(B)) and who receive no earned income (as defined in IRC section 911(d)(2)) from the employer that constitutes income from sources within the United States (as defined in IRC section 861(a)(3)).

(b) Entry Date

- (1) **Entry Date for Purposes of Employee Contribution Account Contributions** – An eligible employee shall participate in the plan for the purpose of making employee contributions as of the first day for which he is credited with an hour of service.
- (2) **Entry Date for All Other Purposes** – An eligible employee shall participate in the plan for all purposes as of the first day of the first payroll period commencing on or after the date on which he has met the age and service requirements, provided he is employed on that date.

Section 2.3 – Termination of Participation

A participant shall continue to be an active participant of the plan so long as he is a member of the eligible class of employees and he does not terminate employment. He shall become an inactive participant when he terminates employment or ceases to be a member of the eligible class of employees. He shall cease participation completely upon the later of his receipt of a total distribution of his nonforfeitable account balance under the plan or the forfeiture of the nonvested portion of the account balance.

Section 2.4 – Re-Participation

- (a) A former participant shall be deemed a new employee for participation purposes.
- (b) If a participant becomes an inactive participant, because he is no longer a member of the eligible class of employees; such inactive participant shall become an active participant immediately upon returning to the eligible class of employees. In the event an employee who is not a member of an eligible class of employees becomes a member of an eligible class, such employee shall participate immediately.

ARTICLE III – CONTRIBUTIONS TO PARTICIPANT ACCOUNTS

Section 3.1 – General Provisions

- (a) **Maintenance of Participant Accounts** – The plan administrator shall maintain one or more separate accounts covering each participant under the plan. Such account(s) shall be increased by contributions, reallocation of forfeitures (if any), investment income, and market value appreciation of the fund. It shall be decreased by market value depreciation of the fund, forfeiture of nonvested amounts, benefit payments, withdrawals, and expenses.
- (b) **Amount and Payment of Employer Contribution**
 - (1) **Amount of Contribution** – For each plan year, the employer contribution to the plan shall be the amount that is determined under the provisions of this Article; provided, however, that the employer may not make a contribution to the plan for any plan year to the extent the contribution would exceed the participants' maximum permissible amounts under IRC section 415. Further, the employer contribution shall not exceed the maximum amount that would be deductible under IRC section 404.
 - (2) **Payment of Contribution** – The employer shall make its contribution to the plan within the time prescribed by the IRC or applicable Treasury regulations. The employer shall notify the trustee in writing as to the amount being contributed with respect to each group of participants where this plan covers more than one division, participating employer, eligible group, or classification.
- (c) **Limitations and Conditions** – Notwithstanding the contribution amount set forth in this Article, the contribution otherwise contributable to a participant's account under this plan shall be limited or reduced as provided in Section 5.1.

In any limitation year in which the contribution otherwise contributable to a participant's account under this plan would exceed the maximum permissible amount due to a contribution otherwise allocable to the participant under another defined contribution plan that the employer also sponsors, the contribution shall first be limited or reduced under such other sponsored plan so that the annual additions for the limitation year will equal the maximum permissible amount.

Section 3.2 – Allocation of Contributions and Forfeitures to Money Purchase Account

- (a) **Conditions for Allocations** – An active participant shall be eligible for an allocation of the employer contribution and forfeitures as of an allocation date, provided that he completed at least one hour of service during the current allocation period.
- (b) (1) **Contribution Formula**

The employer will contribute a matching contribution for each allocation period in an amount equal to:

 - (A) 100% of the amount contributed by the participant up to 5%

A participant's contributions in excess of 15% of his compensation shall be disregarded for purposes of allocating the employer contribution.
- (2) **Compensation** – For this purpose, compensation means compensation as defined in Section 1.2(a) and (b) (subject to the limitations of Section 1.2(c)) for the allocation period. Compensation includable under Section 1.2(a) and (b) but not paid through payroll shall be treated as being paid as of the last day of the plan year or the last day of employment, if earlier.
- (c) **Allocation of Forfeitures**

Forfeitures for the plan year shall be used to reduce employer contributions for the plan year in which such forfeitures occur.

Section 3.3 – Employee Contribution Account

- (a) **Mandatory Contribution Amount** – As a condition of participation in this plan, each active participant must contribute 5% of his compensation each year on an after-tax basis.
- (b) The employer shall contribute an amount equal to the mandatory employee contribution amount set forth in Section 3.3(a) as a pick-up contribution (pursuant to IRC section 414(h)(2)) in lieu of the prior mandatory employee contribution. The contribution shall be made on a pre-tax basis, and there shall be a corresponding reduction in compensation paid to the participant. The contribution shall be credited to the participant's employee contribution account.
- (c) **Availability of Elective Employee Contributions** – An active participant may contribute, on an after-tax basis, a nondeductible amount not to exceed 85% of his compensation (mandatory contributions inclusive). The contribution shall be credited to the participant's employee contribution account. The plan administrator may limit the amount of employee contributions, if he determines that such limitation is necessary to meet the requirements under Code section 415, and regulations issued pursuant thereto, as set forth in Sections 5.1.
- (d) **Election Procedures** – A notice of a participant's desire to make employee contributions shall be given to the plan administrator in the manner established by the plan administrator. The plan administrator shall provide a written notice to all participants of the required procedures for making an election and the date as of which an election will be effective. A participant may make contributions in a single sum, or he may make periodic contributions by authorizing the employer to withhold contributions from the compensation paid to him by the employer. A participant electing to make periodic contributions will be deemed to desire to continue to contribute at the same rate, unless he notifies the plan administrator of his desire to contribute at a different rate. The revised contribution election shall be effective in accordance with the plan administrator's published procedures. Contributions through employer withholding may be discontinued at any time upon proper notice in the manner established by the plan administrator.

Section 3.4 – Rollover/Transfer Account

- (a) **Rollover Contributions** – An active participant may contribute to his rollover/transfer account any amounts that he previously received either as a lump sum distribution (as defined in IRC section 402(e)(4)(D)) provided that he transfers such distribution to this plan within sixty (60) days after receipt.

Before accepting a rollover contribution, the trustee may require an employee to furnish satisfactory evidence that the proposed transfer is in fact a "rollover contribution" that the IRC permits an employee to make to a qualified plan. If and to the extent the transferring plan is represented to be a retirement plan qualified under 401(a) that is not sponsored by a church or governmental agency, the employee shall not be required to furnish such evidence, except with respect to Roth or other after-tax accounting. Further, no evidence shall be required when the check is issued by a financial institution indicating that the distribution is from an individual retirement account, 403(b) account, or a governmental entity 457(b) account previously maintained for the benefit of the employee. The acceptable sources for a rollover contribution shall be as set forth in Section 3.7(b). Notwithstanding the preceding or the provisions of Section 3.7(b), this plan will not accept a rollover from a Roth elective deferral account or an IRC section 408A Roth individual retirement account.

- (b) **Transfer Contributions** – With the consent of the plan administrator, an active participant may have funds transferred directly to this plan from another qualified plan. Consent shall not be given if the optional forms of payment to which the funds are subject under the prior plan are not properly disclosed by the prior plan or cannot be accommodated by this plan and trust.

Effective for requests received on or after January 1, 2002, with the consent of the plan administrator, the participant may have the following transfers made on his behalf directly to this plan (or may make the following rollover contributions as permitted below):

- A direct rollover of an eligible rollover distribution from a qualified plan described in IRC section 401(a) or 403(a), including after-tax employee contributions

- Transfers from a Roth elective deferral account under a qualified IRC section 401(a) plan shall not be permitted.
- A direct rollover of an eligible rollover distribution from an annuity contract described in IRC section 403(b), including after-tax employee contributions.
- Transfers from a Roth elective deferral account under a IRC section 403(b) account shall not be permitted.
- A direct rollover or a participant contribution of an eligible rollover distribution from an eligible plan under IRC section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- A participant rollover contribution of the portion of a distribution from an individual retirement account or annuity described in IRC section 408(a) or 408(b) (including an account more specifically described under IRC section 408(k) or (p)) that is eligible to be rolled over and would otherwise be includable in gross income.

If the plan administrator later determines that the contribution was an invalid transfer contribution, the plan administrator shall distribute the amount of the invalid contribution, plus any earnings attributable thereto, to the employee within a reasonable time after such determination.

- (c) **Contributions Before Plan Entry Date** – An employee, (who is in the eligible class of employees) prior to satisfying the plan's eligibility conditions, may make a rollover or transfer contribution to the plan to the same extent and in the same manner as a participant. If an employee makes a rollover or transfer contribution to the plan before satisfying the plan's eligibility conditions, the plan administrator and trustee will treat the employee as a participant for all purposes of the plan, except the employee is not a participant for purposes of sharing in employer contributions or forfeitures under the plan until he actually becomes a participant in the plan. If the employee has a separation from service prior to becoming a participant, the trustee will distribute his rollover/transfer account to him.
- (d) **Distribution** – The participant's rollover/transfer account shall be held subject to separate accounting and shall always be 100% vested and nonforfeitable. The rollover/transfer account shall be subject to distribution in the same manner as the money purchase account.

Section 3.5 – Allocation of Investment Results

(a) **General Allocation Procedure**

Investment income and market value appreciation or depreciation shall be allocated and credited to each account of each participant who has accrued benefits in proportion to the respective account balances on each accounting date. For this purpose, each account balance shall be equal to the average balance for the period commencing on the day following the prior accounting date and ending on the current accounting date.

(b) **Investment Elections**

A participant may elect to have his employee contribution account and any rollover/transfer account invested in such investment fund or combination of investment funds as may be established by the trustee and made available for the benefit of participants; provided, however, that in no event may the participant direct that any portion of his account be invested in collectibles (as defined in IRC section 408(m)). A participant's investment election shall not apply to any portion of the account that may be invested in a participant loan sub-account established under Section 4.4. The investment results shall be allocated to the participant's account based upon earnings and losses on the participant's share in such investment fund or funds.

The terms and conditions for investment direction shall be established by the plan administrator. An election may be revoked only by another election and will remain in effect until such revocation. If no initial election is timely received by the plan administrator, the plan administrator shall invest the account in a fund designated for such purpose.

ARTICLE IV – PAYMENT OF PARTICIPANT ACCOUNTS

Section 4.1 – Vesting Service Rules

- (a) **Vesting Year of Service** means a vesting computation period during which the employee completes at least 1,000 hours of service with the employer. All of an employee's years of service with the employer shall be counted to determine the nonforfeitable percentage in the employee's account balance derived from employer contributions, except:
 - (1) Years of service disregarded under the break in service rules in Section 4.1(d).
 - (2) Years of service before the employer maintained this plan or a predecessor plan.
- (b) **One Year Break in Service** means for the purposes of this Article IV a vesting computation period during which the employee or former employee does not complete more than 500 hours of service with the employer.
- (c) **Vesting Computation Period** means the 12-consecutive-month period coinciding with the plan year.
- (d) **Break in Service Rules**
 - (1) **Vested Participant** – A former participant who had a nonforfeitable right to all or a portion of his account balance derived from employer contributions at the time of his termination from service shall retain credit for all vesting years of service prior to a break in service as that term is defined in Section 4.1(b).
 - (2) **Nonvested Participant or Employee** – In the case of a former participant or employee who did not have any nonforfeitable right to his account balance derived from employer contributions at the time of his termination from service, years of vesting service before a period of consecutive one-year breaks in service shall not be taken into account in computing service if the number of consecutive one-year breaks in service in such period equals or exceeds the aggregate number of years of vesting service before such breaks in service. Such aggregate number of years of service shall not include any years of service disregarded under the preceding sentence by reason of prior breaks in service.

Section 4.2 – Vesting of Participant Accounts

- (a) **Determination of Vesting**
 - (1) **Normal Retirement** – An employee's right to his accrued benefit shall be 100% vested and nonforfeitable upon the attainment of age 65, the normal retirement age. The vesting of an inactive participant who terminates employment prior to normal retirement age shall remain subject to the provisions of the vesting schedule following attainment of such specified age. Distributions shall be administered in accordance with termination from employment provisions of Section 4.3(a)(3).
 - (2) **Late Retirement** – If a participant remains employed after his normal retirement age, his accrued benefit shall remain 100% vested and nonforfeitable. Such participant shall continue to receive allocations to his account as he did before his normal retirement age.
 - (3) **Early Retirement** – No accelerated vesting based on age shall be provided prior to the participant's attainment of normal retirement age.
 - (4) **Disability** – No accelerated vesting shall be provided due to the participant's disability.
 - (5) (A) **Death** – In the event of the death of a participant who has an accrued benefit under the plan, (whether or not he is an active participant), 100% of the participant's accrued benefit as of the date of death shall be paid to his designated beneficiary.
 - (B) **Beneficiary Designation** – The participant shall have the right to designate his beneficiaries, including a contingent death beneficiary, and shall have the right at any time to change such beneficiaries. The designation shall be made in writing, either on a form signed by the participant and supplied by and filed with the plan administrator or

through an electronic procedure established by the plan administrator. If the participant fails to designate a beneficiary, or if the designated person or persons predecease the participant, "beneficiary" shall mean the spouse, children, parents, siblings (by the whole blood or adoption), or estate of the participant, in the order listed. For this purpose, the terms children, parents, and siblings shall exclude step relationships.

In the absence of a beneficiary designation duly filed or otherwise recorded, if a designated beneficiary dies after the participant has died but before the plan has commenced distribution to the designated beneficiary, the plan shall be administered as set forth in this paragraph. The death benefit will be paid to the designated beneficiary's estate in one lump sum. If the deceased designated beneficiary was not the participant's surviving spouse, distribution will be completed by December 31 of the fifth year following the participant's date of death. If the deceased designated beneficiary was the participant's surviving spouse, distribution will be completed by December 31 of the fifth year following the beneficiary's date of death.

For purposes of this Section 4.2(a)(5), if the designated beneficiary of the participant dies simultaneously with the participant, the participant shall be deemed to be the survivor and to have died subsequent to such designated beneficiary. Likewise, if a beneficiary named by a designated beneficiary dies simultaneously with a designated beneficiary, the designated beneficiary shall be deemed to be the survivor and to have died subsequent to the beneficiary named by the designated beneficiary.

If a participant designates his spouse as the beneficiary and the participant and such spouse are legally divorced subsequent to the date of such designation; then, the designation shall be administered as if such spouse had predeceased the participant unless the participant, subsequent to the legal divorce, reaffirms the designation by completing a new beneficiary designation and duly filing or otherwise recording it with the plan administrator.

- (6) **Termination From Service** – If a participant separates from the service of the employer other than by retirement, disability, or death, his vested interest in his money purchase account shall be equal to the account balance multiplied by the applicable vesting percentage based on his vesting years of service as follows:

<u>Years of Service</u>	<u>Vesting Percentage</u>
0–2 Years	0%
3 or More Years	100%

- (7) **Forfeiture for Malfeasance** – Notwithstanding any other provision of this plan, a participant who is convicted or pleads guilty to engaging in criminal misconduct which constitutes a "crime related to public office or public employment," as that phrase is defined in Pennsylvania Pension Forfeiture Act, 43 P.S. 1311-1314 and interpreted thereunder, shall forfeit his right to receive a pension benefit under this plan. In such a case, the participant shall only be entitled to receive the contributions, if any, he made under Section 3.3, without interest.

(b) **Forfeitures**

- (1) **Time of Forfeiture** – If a participant terminates employment before his account balance derived from employer contributions is fully vested, the nonvested portion of his account shall be forfeited on the earlier of:
- (A) The last day of the vesting computation period in which the participant first incurs a one-year breaks in service, or
 - (B) The date the participant receives his entire vested account balance.

If a participant returns to employment with the employer, and if the forfeited amount is restored pursuant to Section 4.2(b)(2)(B), then any amount required to restore such forfeitures shall be deducted from forfeitures occurring in the plan year of restoration. If

forfeitures are insufficient for the restoration, the employer may make a contribution to the plan for such plan year to satisfy the restoration. However, by the end of the plan year following the plan year of restoration, sufficient forfeitures or employer contributions shall be credited to the account to satisfy the restoration.

(2) Cashout Distributions and Restoration

- (A) **Cashout Distribution** – If an employee terminates service and the value of his vested account balance(s) derived from employer and employee contributions is not greater than \$5,000, the employee shall receive a distribution of the value of the entire vested portion of such account balance(s) and the nonvested portion will be treated as a forfeiture. If an employee would have received a distribution under the preceding sentence but for the fact that the employee's vested account balance exceeded \$5,000 when the employee terminated service and if at a later time such account balance is reduced such that it is not greater than \$5,000, the employee will receive a distribution of such account balance and the nonvested portion will be treated as a forfeiture. For purposes of this section, if the value of an employee's vested account balance is zero, he shall be deemed to have received a distribution of such vested account balance. For the purpose of determining the value of a participant's vested account balance, prior distributions shall be disregarded if distributions have not commenced under an optional form of payment described in Section 4.3.

The value of a participant's vested account balance shall be determined without regard to the account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of IRC sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).

If an employee terminates service and elects, in accordance with the requirements of Section 4.3, to receive the value of his vested account balance, the nonvested portion shall be treated as a forfeiture as of the date of distribution. If the employee elects to have distributed less than the entire vested portion of the account balance derived from employer contributions, the part of the nonvested portion that will be treated as a forfeiture is the total nonvested portion multiplied by a fraction, the numerator of which is the amount of the distribution attributable to employer contributions and the denominator of which is the total value of the vested employer-derived account balance.

- (B) **Restoration of Account** – If an employee receives a cashout distribution pursuant to this section and resumes employment covered under this plan before he incurs a break in service, his employer-derived account balance shall be restored to the amount on the date of distribution, if he repays to the plan the full amount of the distribution attributable to employer contributions before the earlier of one year after the first date on which he is subsequently re-employed by the employer, or the date he incurs a break in service following the date of the distribution. If an employee is deemed to receive a distribution pursuant to this Section 4.2(b)(2), and he resumes employment covered under this plan before he incurs a break in service, upon the re-employment of such employee his employer-derived account balance will be restored to the amount on the date of such deemed distribution.

- (c) **Withdrawal of Employee Nondeductible Contributions** – No forfeitures shall occur solely as a result of an employee's withdrawal of employee nondeductible contributions.

Section 4.3 – Payment of Participant Accounts

(a) Time of Payment

- (1) **Commencement of Benefits** – Subject to the limitations of this plan, the plan administrator shall have full authority to determine the time of payment of any benefit.
- (2) **Payment Upon Retirement, Disability, or Death** – Subject to the provisions set forth in the Distribution Requirements of Section 5.2, if the participant terminates employment due to

retirement, disability, or death, his account(s) shall be paid as soon as administratively possible after the occurrence of the event creating the right to a distribution.

- (3) **Payment Upon Other Termination of Employment** – Subject to the provisions set forth in the Distribution Requirements of Section 5.2, if the participant terminates employment other than by retirement, disability, or death, his account(s) shall be paid as soon as administratively possible after the date of severance of employment.

Notwithstanding the preceding, an alternate payee may elect to have paid the amount determined under the qualified domestic relations order as soon as administratively possible following the date permitted under Section 4.5.

- (4) Notwithstanding the foregoing, the failure of a participant to consent to a distribution while a benefit is immediately distributable shall be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this section. An account balance is immediately distributable if any part of the account balance could be distributed to the participant (or surviving spouse) before the participant attains (or would have attained if not deceased) the later of normal retirement age or age 62.

- (b) **Form of Payment** – A participant or beneficiary may elect to receive distribution of his account(s) as a lump sum benefit payment. The participant or beneficiary shall make a request for benefits through the procedures established by the plan administrator before payment will be made. The lump sum benefit payment shall be made in cash from the fund. However, if the vested accrued benefit is no more than \$5,000, benefits shall automatically be paid in a lump sum.

If a distribution is required under the Distribution Requirements of Section 5.2, the participant fails to elect payment, and the vested balance of the account(s) exceeds \$5,000, the trustee shall pay the benefit in installment payments that meet the requirements of Section 5.2 over the joint life and last survivor expectancy of the participant and his designated beneficiary. If the vested balance of the account(s) does not exceed \$5,000, the trustee shall distribute the entire account balance in a lump sum.

(c) **General Payment Provisions**

- (1) All distributions due to be made under this plan shall be made on the basis of the amount to the credit of the participant as of the accounting date coincident with or immediately preceding the date of distribution.

If a distributable event occurs after an allocation date and before allocations have been made to the account of the participant, the distribution shall also include the amounts allocable to the account as of such allocation date.

- (2) If any person entitled to receive benefits hereunder is physically or mentally incapable of receiving or acknowledging receipt thereof, and if a legal guardian or power of attorney has been appointed for him, the plan administrator may direct the benefit payment to be made to such legal representative. The plan administrator may cause benefits to be paid to any other individual recognized by the state law under which the plan trust has been established.

In the event a distribution is to be made to a minor beneficiary, then the plan administrator may direct that such distribution be paid to the legal guardian, or if none, to a parent of such beneficiary or a responsible adult with whom the beneficiary maintains his residence, or to the custodian for such beneficiary under the Uniform Gift to Minors Act or the Gift to Minors Act, if such is permitted by the laws of the state in which said beneficiary resides. Such a payment to the legal guardian, custodian or parent of a minor beneficiary shall fully discharge the trustee, employer, plan administrator, and plan from further liability on account thereof.

- (3) Any annuity contract distributed herefrom shall be nontransferable. The terms of any such annuity contract purchased and distributed by the plan shall comply with the requirements of this plan. The ownership of the annuity contract shall reside with the participant.

Any dividend, refund or recovery on an annuity contract shall be credited to the participant or beneficiary for whom the annuity contract was purchased.

- (4) The participant's election of a form of benefit payment shall be irrevocable as of the annuity starting date, subject to the notice requirements contained in Section 4.3(e).

(d) Eligible Rollover Distributions

A distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

- (1) **Eligible Rollover Distribution** – An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under IRC section 401(a)(9) including any portion of such distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any hardship withdrawal; and any other distribution(s) that is reasonably expected to total less than \$200 during a year.

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions that are not includable in gross income. However, such portion may be transferred only to: (A) a traditional individual retirement account or annuity described in IRC section 408(a) or (b) (traditional IRA) or a Roth individual retirement account or annuity described in IRC section 408A (Roth IRA); or (B) a qualified plan or an annuity contract described in IRC section 401(a) and 403(b), respectively, that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution that is includable in gross income and the portion of such distribution that is not so includable.

- (2) **Eligible Retirement Plan** – An eligible retirement plan is a traditional IRA, a Roth IRA, an annuity plan described in IRC section 403(a), an annuity contract described in IRC section 403(b), a qualified plan described in IRC section 401(a), that accepts the distributee's eligible rollover distribution, or an eligible plan under IRC section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and that agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in IRC section 414(p).
- (3) **Distributee** – A distributee includes an employee or former employee. The employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in IRC section 414(p), are distributees with regard to the interest of the spouse or former spouse. Effective for death benefit distributions made on or after January 1, 2007, a distributee shall include a nonspouse beneficiary but only with respect to a direct transfer to an inherited traditional IRA or Roth IRA established on his behalf for the purpose of receiving the distribution.
- (4) **Direct Rollover** – A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.
- (5) **Automatic Rollovers** - In the event of a mandatory distribution greater than \$1,000 in accordance with the provisions of Section 4.2(b)(2)(A), if the participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly in accordance with Section 4.3(e), then the plan administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the plan administrator. For purposes of determining whether a mandatory

distribution is greater than \$1,000, the portion of the participant's distribution attributable to any rollover contribution shall be included.

If a distribution of \$5,000 or less is made to a participant but the check remains uncashed for 24 months, the plan administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the plan administrator. If the distribution is \$1,000 or less, such disbursement shall be made only to the extent the financial institution will accept the amount.

(e) Payment Election Procedures

An account balance in excess of \$5,000 shall not be immediately distributed without the consent of the participant. For any distribution in excess of \$200, the plan administrator shall give the participant a written notice of his eligible rollover distribution rights as required under IRC section 402(f) no less than 30 days and no more than 180 days before the proposed distribution date. A participant may elect to waive any requirement that the written explanation and notice be given at least 30 days before the annuity starting date, provided that:

- (1) The participant is provided with information that clearly states that the participant has a right to a period of at least 30 days after receiving the written explanation and notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- (2) The participant, after receiving the written explanation and notice, affirmatively elects a distribution.

If and to the extent the participant elects multiple destinations for his direct rollover distributions, he may designate the allocation of the pretax amounts. In the event of a mandatory distribution greater than \$1,000 in accordance with the provisions of Section 4.2(b)(2)(A), if the participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly in accordance with Section 4.3(d), then the plan administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the plan administrator.

Section 4.4 – In-Service Payments

- (a) **Withdrawals** – An employee may not withdraw amounts from his account(s) before his separation from service, except under the circumstances and only to the extent provided below.

No payments shall be made before separation from service.

- (b) **Participant Loans** – No participant loans shall be permitted under this plan.

Section 4.5 – Distributions Under Domestic Relations Orders

Nothing contained in this plan prevents the trustee, in accordance with the direction of the plan administrator, from complying with the provisions of a qualified domestic relations order (as defined in IRC section 414(p)).

This plan specifically permits distribution to an alternate payee under a qualified domestic relations order at any time, irrespective of whether the participant has attained his earliest retirement age (as defined under IRC section 414(p)) under the plan. A distribution to an alternate payee prior to the participant's attainment of earliest retirement age is available only if the order specifies distribution at that time or permits an agreement between the plan and the alternate payee to authorize an earlier distribution. If the present value of the alternate payee's benefits under the plan exceeds \$5,000 and the order requires, the alternate payee must consent to any distribution occurring prior to the participant's attainment of earliest retirement age.

Nothing in this Section gives a participant a right to receive distribution at a time otherwise not permitted under the plan nor does it permit the alternate payee to receive a form of payment not otherwise permitted under the plan.

The plan administrator shall establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the plan administrator promptly will notify the participant and any alternate payee named in the order, in writing, of the receipt of the order and the plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the plan administrator shall determine the qualified status of the order and shall notify the participant and each alternate payee, in writing, of its determination. The plan administrator shall provide notice under this paragraph by mailing to the individual's address specified in the domestic relations order.

If any portion of the participant's nonforfeitable accrued benefit is payable during the period the plan administrator is making its determination of the qualified status of the domestic relations order, the plan administrator shall make a separate accounting of the amounts payable. If the plan administrator determines the order is a qualified domestic relations order within 18 months of the date amounts first are payable following receipt of the order, it shall direct the trustee to distribute the payable amounts in accordance with the order. If the plan administrator does not make its determination of the qualified status of the order within the 18-month determination period, it shall direct the trustee to distribute the payable amounts in the manner the plan would distribute if the order did not exist and shall apply the order prospectively if it later determines the order is a qualified domestic relations order.

ARTICLE V – ADDITIONAL QUALIFICATION RULES

Section 5.1 – Limitations on Allocations Under IRC Section 415

(a) **Single Plan Limitations**

- (1) If the participant does not participate in, and has never participated in another qualified plan maintained by the employer, or a welfare benefit fund (as defined in IRC section 419(e)) maintained by the employer, or an individual medical account (as defined in IRC section 415(l)(2)) maintained by the employer, that provides an annual addition as defined in Section 5.1(c)(1), the amount of annual additions that may be credited to the participant's account for any limitation year will not exceed the lesser of the maximum permissible amount or any other limitation contained in this plan. If the employer contribution that would otherwise be contributed or allocated to the participant's account would cause the annual additions for the limitation year to exceed the maximum permissible amount, the amount contributed or allocated will be reduced so that the annual additions for the limitation year will equal the maximum permissible amount.
- (2) Prior to determining the participant's actual compensation for the limitation year, the employer may determine the maximum permissible amount for a participant on the basis of a reasonable estimation of the participant's compensation for the limitation year, uniformly determined for all participants similarly situated.
- (3) As soon as is administratively feasible after the end of the limitation year, the maximum permissible amount for the limitation year will be determined on the basis of the participant's actual compensation for the limitation year.
- (4) If a participant elects to make employee nondeductible contributions that together with any contribution the employer is obligated to make under the terms of this plan would otherwise cause the annual additions for the limitation year to exceed the maximum permissible amount, the contribution election of the participant shall be limited before any employer contribution is reduced so that the annual additions for the limitation year will equal the maximum permissible amount.

(b) **Combined Limitations – Other Defined Contribution Plan**

- (1) This Section 5.1(b) applies if, in addition to this plan, the participant is covered under another qualified defined contribution plan maintained by the employer, a welfare benefit fund

maintained by the employer, or an individual medical account maintained by the employer, that provides an annual addition as defined in Section 5.1(c)(1), during any limitation year. The annual additions that may be credited to a participant's account under this plan for any such limitation year will not exceed the maximum permissible amount reduced by the annual additions credited to a participant's account under the other plans welfare benefit funds, and individual medical accounts for the same limitation year. If the annual additions with respect to the participant under other qualified defined contribution plans, welfare benefit funds, and individual medical accounts maintained by the employer are less than the maximum permissible amount and the employer contribution that would otherwise be contributed or allocated to the participant's account under this plan would cause the annual additions for the limitation year to exceed this limitation, the amount contributed or allocated will be reduced so that the annual additions under all such plans and funds for the limitation year will equal the maximum permissible amount. If the annual additions with respect to the participant under such other qualified defined contribution plans, welfare benefit funds, and individual medical accounts in the aggregate are equal to or greater than the maximum permissible amount, no amount will be contributed or allocated to the participant's account under this plan for the limitation year.

- (2) Prior to determining the participant's actual compensation for the limitation year, the employer may determine the maximum permissible amount for a participant in the manner described in Section 5.1(a)(2).
- (3) As soon as is administratively feasible after the end of the limitation year, the maximum permissible amount for the limitation year will be determined on the basis of the participant's actual compensation for the limitation year.
- (4) If, pursuant to Section 5.1(b)(3) or as a result of the allocation of forfeitures, a participant's annual additions under this plan and such other plans would result in an excess amount for a limitation year, the excess amount will be deemed to consist of the annual additions last allocated, except that annual additions attributable to a welfare benefit fund or individual medical account will be deemed to have been allocated first regardless of the actual allocation date.
- (5) If an allocation date of this plan coincides with an allocation date of another plan and the employee or employer contribution that would otherwise be contributed or allocated to a participant's account under the plans would cause the annual additions for the limitation year to exceed the maximum permissible amount, Section 3.1(c) shall control which contribution or allocation will be reduced so that the annual additions for the limitation year will equal the maximum permissible amount.

(c) Definitions (IRC Section 415 Limitations)

- (1) **Annual Additions** – The sum of the following amounts credited to a participant's account for the limitation year: (A) employer contributions; (B) employee contributions (excluding catch-up contributions made in accordance with IRC section 414(v)); (C) forfeitures; and (D) amounts allocated, after March 31, 1984, to an individual medical account as defined in IRC section 415(l)(2), that is part of a pension or annuity plan maintained by the employer are treated as annual additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued after December 31, 1985 (in taxable years ending after such date), that are attributable to postretirement medical benefits allocated to the separate account of a key employee (as defined in IRC section 419A(d)(3)) under a welfare benefit fund (as defined in IRC section 419(e)) maintained by the employer are treated as annual additions to a defined contribution plan. Picked-up contributions under IRC section 414(h)(2) shall not be included as an annual addition with respect to a participant.

Restorative payments allocated to a participant's account including restorative payments made pursuant to Section 4.2(b)(2)(B) and payments made to restore losses to the plan resulting from actions (or a failure to act) by a fiduciary for which there is a reasonable risk of

liability under an applicable federal or state law (where similarly situated participants are treated similarly) shall not give rise to an annual addition for any limitation year.

- (2) **Compensation** – A participant's earned income and any earnings reportable as W-2 wages for federal income tax withholding purposes. W-2 wages means wages as defined in IRC section 3401(a) but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in IRC section 3401(a)(2)). Picked-up contributions under IRC section 414(h)(2) shall not be included in the participant's compensation.

For purposes of applying the limitations of this Section 5.1, compensation for a limitation year is the compensation actually paid or includable in gross income during such limitation year. Compensation for a limitation year shall include amounts earned but not paid during the limitation year solely because of the timing of pay periods and pay dates, provided the amounts are paid during the first few weeks of the next limitation year, the amounts are included on a uniform and consistent basis with respect to all similarly situated employees, and no compensation is included in more than one limitation year.

Back pay, within the meaning of Treasury Regulation section 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

Compensation in excess of the limitations of Section 1.2(c) shall not be taken into account. In order to be taken into account for a limitation year, compensation must be paid or treated as paid prior to severance from employment with the employer. Effective for limitation years beginning on or after July 1, 2007, an includable payment shall be treated as paid prior to severance from employment if it is paid by the later of 2½ months after severance or the last day of the limitation year that includes the severance date. For this purpose, includable payments are those that absent the severance would have been paid and are regular compensation for services during regular working hours or compensation for services outside regular working hours (such as overtime or shift differentials), commissions, bonuses, or other similar compensation. Includable payments shall also include unused accrued sick, vacation, or other leave if such payments would have been included in compensation as defined in Section 1.2 if they were paid prior to the employee's severance from employment. Any payments not described herein as an includable payment shall not be considered compensation if paid after severance from employment, even if they are paid by the later of 2½ months after the date of severance from employment or the end of the limitation year that includes the severance date.

For limitation years beginning after December 31, 2008, compensation for a limitation year shall include amounts paid as differential wages to a participant on qualified military service leave of more than 30 days and otherwise meeting the requirements of IRC section 3401(h)(2).

Compensation shall include elective contributions as defined in Section 1.2(a) and elective contributions under a IRC section 501(c)(18) plan. Elective contribution amounts under a cafeteria plan excludable under IRC section 125 shall include any amounts not available to a participant in cash in lieu of group health coverage solely because the participant is unable to certify that he has other health coverage (deemed section 125 compensation). Amounts are deemed section 125 compensation only if the employer does not request or collect information regarding the participant's other health coverage as part of the enrollment process for the health plan.

Notwithstanding the preceding, compensation for a participant who is permanently and totally disabled (as defined in IRC section 22(e)(3)) is the compensation such participant would have received for the limitation year if the participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled; such

imputed compensation for the disabled participant may be taken into account only if contributions made on behalf of such participant are nonforfeitable when made.

- (3) **Defined Contribution Dollar Limitation** – \$40,000, as adjusted under IRC section 415(d).
- (4) **Employer** – For purposes of this Section 5.1, employer shall mean the employer that adopts this plan and any entity required to be aggregated with the employer pursuant to regulations.
- (5) **Excess Amount** – The excess of the participant's annual additions for the limitation year over the maximum permissible amount.
- (6) **Limitation Year** – The 12-consecutive-month period defined in Section 1.3(f).
- (7) **Maximum Permissible Amount** – The maximum annual addition that may be contributed or allocated to a participant's account under the plan for any limitation year shall not exceed the lesser of:
 - (A) the defined contribution dollar limitation as defined in Section 5.1(c)(3); or
 - (B) 100% of the participant's compensation for the limitation year.

If a short limitation year is created because of an amendment changing the limitation year to a different 12-consecutive-month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by the following fraction:

$$\frac{\text{Number of months in the short limitation year}}{12}$$

If the plan is terminated as of a date other than the last day of the limitation year, the plan shall be deemed to have been amended to change its limitation year and the maximum permissible amount shall be determined by prorating it for the resulting short limitation year.

Section 5.2 – Distribution Requirements

Effective for calendar years beginning after December 31, 1984, the requirements of this Section 5.2 shall apply to any distribution of a participant's interest and will take precedence over any inconsistent provisions of this plan. With respect to distributions under the plan made on or after August 1, 2002 for calendar years beginning on or after January 1, 2002, the plan will apply the minimum distribution requirements of IRC section 401(a)(9) as set forth in this Section 5.2. Distributions made prior to August 1, 2002 are subject to the provisions of the plan as in effect before this amendment and restatement of the plan.

With respect to calendar year 2009, the provisions of Section 5.2 shall be applied subject to IRC section 401(a)(9)(H). Although the plan administrator shall calculate any required minimum distribution under Section 5.2 and pay it separately to any participant or beneficiary commencing distribution during 2009, such recipient shall be eligible to deposit such amount in a qualified employer plan or individual retirement account. Any participant receiving or due to commence such distributions shall not receive a required minimum distribution with respect to 2009 in the absence of an affirmative election. To the extent that a participant's entire interest is otherwise required to be distributed to a beneficiary by December 31 of the calendar year containing the fifth anniversary of the participant's death, such 5-year period shall be determined without regard to calendar year 2009.

- (a) **Required Beginning Date** – The entire interest of a participant must be distributed, or begin to be distributed, no later than the participant's required beginning date.
- (b) **Limits on Distribution Periods** – As of the first distribution calendar year, distributions to a participant, if not made in a single sum, may only be made over one of the following periods (or a combination thereof):
 - (1) the life of the participant;
 - (2) the joint lives of the participant and a designated beneficiary;
 - (3) a period certain not extending beyond the life expectancy of the participant; or

(4) a period certain not extending beyond the joint life and last survivor expectancy of the participant and a designated beneficiary.

(c) **Death of Participant Before Distributions Begin** – If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

- (1) If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70½, if later. If the surviving spouse so elects, the participant's entire interest will be distributed to such surviving spouse by December 31 of the calendar year containing the fifth anniversary of the participant's death. If no election is received, distributions to the surviving spouse will begin by December 31 of the calendar year in which the participant would have attained age 70½, or the participant's entire interest will be distributed to such surviving spouse by December 31 of the calendar year containing the fifth anniversary of the participant's death, if later.
- (2) If the participant's surviving spouse is not the participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died. If the designated beneficiary so elects or if no election is received, the participant's entire interest will be distributed to such designated beneficiary by December 31 of the calendar year containing the fifth anniversary of the participant's death.
- (3) If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.
- (4) If the participant's surviving spouse is the participant's sole designated beneficiary and the surviving spouse dies after the participant but before distributions to the surviving spouse are required to begin, this Section 5.2(c), other than Section 5.2(c)(1), will apply as if the surviving spouse were the participant.

For purposes of this Section 5.2(c) and Section 5.2(f), unless Section 5.2(c)(4) applies, distributions are considered to begin on the participant's required beginning date. If Section 5.2(c)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 5.2(c)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the participant before the participant's required beginning date (or to the participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 5.2(c)(1)), the date distributions are considered to begin is the date distributions actually commence.

(d) **Forms of Distribution** – Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Section 5.2(e) and (f). If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of IRC section 401(a)(9) and the Treasury regulations.

To the extent the participant has an employee nondeductible contribution account or after-tax contributions for which there is separate accounting under his rollover/transfer account, such funds shall be distributed first before any taxable distribution is made to satisfy the minimum distribution requirement. After the exhaustion of such accounts, distributions shall be debited from a participant's accounts to the extent funded first from any rollover/transfer account and then from his money purchase pension account.

(e) **Required Minimum Distributions During Participant's Lifetime** - If a participant's benefit is to be distributed over (1) a period not extending beyond the life expectancy of the participant or the

joint life and last survivor expectancy of the participant and the participant's designated beneficiary or (2) a period not extending beyond the life expectancy of the designated beneficiary, the amount required to be distributed for each calendar year, beginning with distributions for the first distribution calendar year, must at least equal the quotient obtained by dividing the participant's benefit by the applicable life expectancy.

(1) Amount of Required Minimum Distribution For Each Distribution Calendar Year –

During the participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

- (A) The quotient obtained by dividing the participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Regulation section 1.401(a)(9)-9, using the participant's age as of the participant's birthday in the distribution calendar year; or
- (B) If the participant's sole designated beneficiary for the distribution calendar year is the participant's spouse, the quotient obtained by dividing the participant's account balance by the number in the Joint and Last Survivor Table set forth in Regulation section 1.401(a)(9)-9, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death –

Required minimum distributions will be determined under this Section 5.2(e) beginning with the first distribution calendar year and continuing up to and including the distribution calendar year that includes the participant's date of death.

(f) Required Minimum Distributions After Participant's Death

(1) Death On or After Date Distributions Begin – If the participant dies after distribution of his interest has begun, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the participant's death.

(A) Participant Survived by Designated Beneficiary – If the participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the participant's death is the quotient obtained by dividing the participant's account balance by the longer of the remaining life expectancy of the participant or the remaining life expectancy of the participant's designated beneficiary, determined as follows:

- (i) The participant's remaining life expectancy is calculated using the age of the participant in the year of death, reduced by one for each subsequent year.
- (ii) If the participant's surviving spouse is the participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (iii) If the participant's surviving spouse is not the participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary – If the participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the participant's death is the quotient obtained by dividing the participant's account balance by the participant's remaining life

expectancy calculated using the age of the participant in the year of death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin

- (A) Participant Survived by Designated Beneficiary** – If the participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the participant's death is the quotient obtained by dividing the participant's account balance by the remaining life expectancy of the participant's designated beneficiary, determined as provided in Section 5.2(f)(1).
- (B) No Designated Beneficiary** – If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the participant's death.
- (C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin** – If the participant dies before the date distributions begin, the participant's surviving spouse is the participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 5.2(c), this Section 5.2(f)(2) will apply as if the surviving spouse were the participant.

(g) Definitions (IRC Section 401(a)(9) Requirements)

- (1) Designated Beneficiary** – The individual who is designated as the beneficiary of the participant's interest under the plan and who is the designated beneficiary under IRC section 401(a)(9) and Regulation section 1.401(a)(9)-4.
- (2) Distribution Calendar Year** – A calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the participant's required beginning date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 5.2(c). The required minimum distribution for the participant's first distribution calendar year will be made on or before the participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.
- (3) Life Expectancy** – Life expectancy as computed by use of the Single Life Table in Regulation section 1.401(a)(9)-9.
- (4) Participant's Account Balance** – The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

If any portion of the minimum distribution for the first distribution calendar year is made in the second distribution calendar year on or before the required beginning date, the amount of the minimum distribution made in the second distribution calendar year shall be treated as if it had been made in the immediately preceding distribution calendar year.

- (5) **Required Beginning Date** – The required beginning date of a participant is April 1 of the calendar year following the later of: (i) the calendar year in which the participant attains age 70½, or (ii) the calendar year in which the participant retires.

ARTICLE VI – ADMINISTRATION OF THE PLAN

Section 6.1 – Fiduciary Responsibility

- (a) **Management and Control of Plan Assets** – The governing body of the employer shall designate the persons responsible for the management and control of plan assets. Such person shall discharge their duties with respect to the plan in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the applicable provisions of the Internal Revenue Code.
- (b) A fiduciary of this plan is required to exercise the judgment and care under the circumstances then prevailing that men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.
- (c) **Allocation of Responsibility**
- (1) When the plan administrator is required to follow the directions of the trustee or the trustee is required to follow the directions of the plan administrator, they shall not be deemed to share such responsibility. Instead, the responsibility of the person giving the directions shall be deemed to be his sole responsibility and the responsibility of the person receiving directions shall be to follow those directions insofar as such instructions on their face are proper under applicable law.
- (2) The plan administrator or trustee under this plan may employ one or more persons, including independent accountants, attorneys and actuaries to render advice with regard to any responsibility such person has under the plan.
- (d) **Liability and Indemnification** – Subject to Act 205, no past, present, or future officer of the employer nor of any participating employer shall be personally liable to any participant, beneficiary, or other person under any provision of the plan or trust or any insurance policy or contract issue pursuant thereto. No individual fiduciary shall be liable for any act or omission of any other fiduciary. Unless resulting from the gross negligence, willful misconduct or lack of good faith on the part of the fiduciary, the employer shall indemnify and save harmless such fiduciary from, against, for and in respect of any and all damages, losses, obligations, liabilities, liens, deficiencies, costs and expenses, including without limitation, reasonable attorney's fees and other costs and expenses incident to any suit, action, investigation, claim or proceedings suffered in connection with his acting as a fiduciary under the plan.

Section 6.2 – Plan Administrator

(a) **Appointment of Plan Administrator**

The governing body of the employer shall be responsible for the administration of the plan. It may appoint one or more members of itself to be the plan administrator. The employer shall review at regular intervals the performance of those members appointed to be the plan administrator(s) and shall re-evaluate the appointment of such plan administrator(s).

(b) **Duties and Powers of Plan Administrator**

The plan administrator shall have the following duties and discretionary powers and such other duties and discretionary powers as relate to the administration of the plan:

- (1) To determine in a nondiscriminatory manner all questions relating to the eligibility of employees to become participants.

- (2) To determine in a nondiscriminatory manner eligibility for benefits and to determine and certify the amount and kind of benefits payable to participants.
- (3) To authorize all disbursements from the fund.
- (4) To appoint or employ any independent person to perform necessary plan functions and to assist in the fulfillment of administrative responsibilities as he deems advisable, including the retention of a third party administrator, custodian, auditor, accountant, actuary, or attorney.
- (5) When appropriate, to select an insurance company and annuity contracts that, in his opinion, will best carry out the purposes of the plan.
- (6) To construe and interpret any ambiguities in the plan and to make, publish, interpret, alter, amend or revoke rules for the regulation of the plan that are consistent with the terms of the plan and with the applicable provisions of the Internal Revenue Code.
- (7) To prepare and distribute, in such manner as determined to be appropriate, information explaining the plan.

(c) **Miscellaneous Provisions**

- (1) **Expenses** – The plan administrator shall serve without compensation for service as such. All reasonable expenses of the plan administrator shall be paid by the employer.
- (2) **Examination of Records** – The plan administrator shall make available to any participant for examination during business hours such of the plan records as pertain only to the participant involved.
- (3) **Information to the Plan Administrator** – To enable the plan administrator to perform the administrative functions, the employer shall supply full and timely information to the plan administrator on all participants as the plan administrator may require.

Section 6.3 – Claims Procedure

- (a) **Notification of Claim Determination** – The plan administrator shall notify each participant in writing of its determination of benefits. If the plan administrator denies any benefit, such written denial shall include:

- The specific reasons for denial;
- Reference to provisions on which the denial is based;
- A description of and reason for any additional information needed to process the claim; and
- A description of the plan's review procedures.

- (b) **Appeal** – The participant or his duly authorized representative may:

- Make a written request for a review of the participant's case by the employer;
- Review pertinent documents;
- Submit issues and comments in writing.

The written request for review must be submitted no later than 60 days after receiving written notification of denial of benefits.

- (c) **Review** – The **[Administration employer / pension board]** must render a decision no later than 60 days after receiving the written request for review, unless circumstances make it impossible to do so; but in no event shall the decision be rendered later than 120 days after the request for review is received.
- (d) **Limitation on Time Period for Litigation of a Benefit Claim** – Following receipt of the written rendering of the **[Administration employer / pension board]**'s decision under Section 6.3(c), the

participant shall have 365 days in which to file suit in the appropriate court. Thereafter, the right to contest the decision shall be waived.

Section 6.4 – Trust Fund

- (a) **Creation and Maintenance of the Fund** – The trust fund shall be created and maintained in the following manner:

- (1) All funds on deposit and held for pension or retirement benefits of the participants shall continue to be part of the trust fund created and maintained hereby subject to any liabilities that may exist against such fund.
- (2) The employer shall allocate to the fund the payments made by the Treasurer of the Commonwealth of Pennsylvania from monies received from taxes paid upon premiums by foreign casualty insurance companies and foreign fire insurance companies pursuant to the General Municipal Pension System State Aid Program.
- (3) The fund shall accept and maintain any payments made by other gifts, grants, devises, or bequests to the fund.
- (4) The employer shall contribute to the fund the payments that are authorized to be made from the general revenue of the employer.

All such payments received shall be part of the trust fund and shall not be applied to any other account or disbursed in any manner except as provided by this plan. Payments required under the plan shall be a charge only upon the trust fund and not upon other monies or funds of the employer.

- (b) **Appointment of Trustee**

The employer, or its delegee, shall appoint a trustee for the proper care and custody of all funds, securities and other properties in the trust, and for investment of plan assets (or for execution of such orders as it receives from an investment manager appointed for investment of plan assets). The duties and powers of the trustee shall be set forth in a trust agreement executed by the employer, which is incorporated herein by reference. The employer shall review at regular intervals the performance of the trustee and shall re-evaluate the appointment of such trustee. After the employer has appointed the trustee and has received a written notice of acceptance of its responsibility, the fiduciary responsibility with respect to the proper care and custody of plan assets shall be considered as the responsibility of the trustee. Unless otherwise allocated to an investment manager, the fiduciary responsibility with respect to investment of plan assets shall likewise be considered as the responsibility of the trustee.

- (c) **Appointment of Corporate Custodian**

The employer, or its delegee, may appoint a corporate custodian to hold and invest the fund. The corporate custodian shall carry out its responsibilities in accordance with the terms of the custodial agreement and the investment policy and guidance as the employer shall, from time to time provide. The employer shall review at regular intervals no less frequently than annually, the performance of such corporate custodian and shall re-evaluate the appointment of such corporate custodian.

- (d) **Appointment of Investment Manager**

The employer, or its delegee, may appoint an investment manager who is other than the trustee, which investment manager may be a bank or an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Such investment manager, if appointed, shall have sole discretion in the investment of plan assets, subject to the funding policy. The employer shall review at regular intervals no less frequently than annually, the performance of such investment manager and shall re-evaluate the appointment of such investment manager. After the employer has appointed an investment manager and has received a written notice of acceptance of its responsibility, the fiduciary responsibility with

respect to investment of plan assets shall be considered as the responsibility of the investment manager.

(e) Funding Policy

The employer, or its delegee, shall determine and communicate in writing to the person responsible for investment of plan assets the funding policy for the plan. The funding policy shall set forth the plan's short-range and long-range financial needs, so that said person may coordinate the investment of plan assets with the plan's financial needs.

(f) Valuation of the Fund

The fund shall be valued by the trustee on the anniversary date of each year and as of any interim allocation date determined by the plan administrator. The valuation shall be made on the basis of the current fair market value of all property in the fund.

(g) Expenses

The trust fund may pay the expenses incurred in the administration of the plan and the investment of the fund, provided the cost is reasonable. Such expenses shall include legal fees incurred by the plan administrator or the trustee, provided such fiduciaries are not proven to have committed a prohibited transaction. If the trust fund pays the expenses, the expenses generally shall be allocated against the participant accounts on a pro rata basis. Certain expenses incurred with respect to a particular participant or beneficiary shall be allocated against the participant's account on a direct basis.

ARTICLE VII – AMENDMENT AND TERMINATION OF PLAN

Section 7.1 – Right to Discontinue and Amend

It is the expectation of the employer that it will continue this plan indefinitely and make the payments of its contributions hereunder, but the continuance of the plan is not assumed as a contractual obligation of the employer and the right is reserved by the employer, at any time, to reduce, suspend or discontinue its contributions hereunder.

Section 7.2 – Amendments

Except as herein limited, the employer shall have the right to amend this plan at any time to any extent that it may deem advisable. Such amendment shall be stated in writing and shall be by ordinance or resolution of the governing body of the employer. The employer's right to amend the plan shall be limited as follows:

- (a) No amendments shall have the effect of vesting in the employer any interest in or control over any contracts issued pursuant hereto or any other property in the fund.
- (b) No amendment to the vesting schedule adopted by the employer hereunder shall deprive a participant of his vested portion of his employer-derived accrued benefit to the date of such amendment.

Section 7.3 – Protection of Benefits in Case of Plan Merger

In the event of a merger or consolidation with, or transfer of assets or liabilities to any other plan, each participant will receive a benefit immediately after such merger, consolidation or transfer (if the plan then terminated) that is at least equal to the benefit the participant was entitled to immediately before such merger, consolidation or transfer (if the plan had terminated).

The transfer of amounts from this trust to a nonqualified foreign trust shall be treated as a distribution from this plan. Further, the transfer of assets and liabilities from this plan to a plan that satisfies Puerto Rico Code section 1165 shall also be treated as a distribution from this plan.

Section 7.4 – Termination of Plan

- (a) **When Plan Terminates** – This plan shall terminate upon the legal dissolution of the employer or the termination of the plan by the amendment action of the employer. Subject to the provisions of

the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, Act 205 of 1984) governing financial distressed municipalities, the liability of the employer to make contributions to the plan shall automatically terminate upon liquidation or dissolution of the employer, upon its adjudication as a bankrupt, or upon the making of a general assignment for the benefit of its creditors.

- (b) **Allocation of Assets** – Upon termination or partial termination, the account balance of each affected participant who is an active participant or who is not an active participant but has neither received a complete distribution of his vested accrued benefit nor incurred a one-year break in service shall be 100% vested and nonforfeitable. The amount of the fund assets shall be allocated to each participant, subject to provisions for expenses of administration of the liquidation, in the ratio that such participant's account bears to all accounts.

ARTICLE VIII – MISCELLANEOUS PROVISIONS

Section 8.1 – Exclusive Benefit – Non-Reversion

The plan is created for the exclusive benefit of the employees of the employer and shall be interpreted in a manner consistent with its being a qualified plan as defined in IRC section 401(a). The sponsorship of this plan may not be transferred to an unrelated entity if the transfer is not in connection with a transfer of business assets or operations from the employer to such entity. The corpus or income of the trust may not be diverted to or used for other than the exclusive benefit of the participants or their beneficiaries (except for defraying reasonable expenses of administering the plan). Notwithstanding the preceding, any contribution made by the employer because of a mistake of fact must be returned to the employer within one year of the contribution.

Section 8.2 – Inalienability of Benefits

No benefit or interest available hereunder including any annuity contract distributed herefrom shall be subject to assignment or alienation, either voluntarily or involuntarily. The preceding sentence shall also apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a participant pursuant to a domestic relations order, unless such order is determined to be a qualified domestic relations order as defined in IRC section 414(p), or any domestic relations order entered before January 1, 1985.

Section 8.3 – Employer-Employee Relationship

This plan is not to be construed as creating or changing any contract of employment between the employer and its employees, and the employer retains the right to deal with its employees in the same manner as though this plan had not been created.

Section 8.4 – Binding Agreement

This plan shall be binding on the heirs, executors, administrators, successors and assigns as such terms may be applicable to any or all parties hereto, and on any participants, present or future.

Section 8.5 – Inconsistency or Conflict of Prior Ordinances or Resolutions

Any ordinance or resolution with an effective date prior to the adoption date of this amendment and restatement of the plan shall be of no effect.

Section 8.6 – Separability

If any provision of this plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof and this plan shall be construed and enforced as if such provision had not been included.

Section 8.7 – Construction

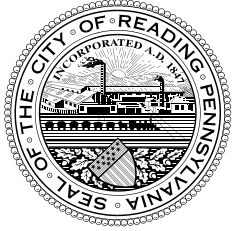
The plan shall be construed in accordance with the laws of the Commonwealth of Pennsylvania and with the applicable portions of the Internal Revenue Code.

Section 8.8 – Copies of Plan

This plan may be executed in any number of counterparts, each of which shall be deemed as an original, and said counterparts shall constitute but one and the same instrument that may be sufficiently evidenced by any one counterpart.

Section 8.9 – Interpretation

Wherever appropriate, words used in this plan in the singular may include the plural or the plural may be read as singular, and the masculine may include the feminine.



AGENDA MEMO

PUBLIC WORKS DIRECTOR

TO: City Council
FROM: Stan Rugis, Public Works Director
MEETING DATE: October 11, 2021
AGENDA MEMO DATE: September 29, 2021

RECOMMENDED ACTION: Request for City Council to approve the transfer of funds for payment for the replacement of the existing Public Works Duplex Water Pressure Booster Pump System.

RECOMMENDATION: Recommended by the Public Works Operations Manager

BACKGROUND: For the Upgrading and Replacement of aging Booster Pumps System at the Public Works Center Facility. A water pressure booster system is necessary to supply water for vital activities such as flushing toilets, washing hands, and drinking. The system is original equipment installed 17 years ago and is beyond its useful life. We have been experiencing increased failures over the last few months. This facility cannot operate effectively without this equipment. The new system will also provide at least 30% energy savings over the existing system.

BUDGETARY IMPACT: None

PREVIOUS ACTION: None

SUBSEQUENT ACTION: None

RECOMMENDED BY: Public Works Public Property Division

RECOMMENDED MOTION: Approve/Deny the recommendation for the approval of Transfer for the funding for the Neco Systems Duplex Water Pressure Booster Pump System.

Drafted by:	Acting PW Dir
Sponsored/Referred by:	Acting PW Dir
Introduced on:	Oct 11, 2021
Advertised on:	N/A

BILL NO. _____ - 2021

AN ORDINANCE

AN ORDINANCE REQUESTING AUTHORIZATION TO TRANSFER FUNDS FROM THE PUBLIC WORKS GENERAL FUND STREET DIVISION BUDGET TO THE PUBLIC PROPERTY DIVISION GENERAL FUND BUDGET TO PAY FOR THE NEW NECO REPLACEMENT DUPLEX WATER PRESSURE BOOSTER PUMP SYSTEM AT THE PUBLIC WORKS CENTER.

THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Authorizing the transfer of \$29,717.00 from the General Fund Streets Division Budget (01-07-52-4815) Maintenance of Roads/Bridges to General Fund (01-07-74-4216) Public Property Contracted Services.

SECTION 2. This ordinance shall become effective ten (10) days after its adoption, in accordance with Sections 219 & 221 of the City of Reading Home Rule Charter.

Enacted _____, 2021

President of Council

Attest:

City Clerk

Submitted to Mayor: _____

Date: _____

Received by the Mayor's Office: _____

Drafted by:	City Clerk
Sponsored/Referred by:	Solicitor
Introduced on:	Oct 11, 2021
Advertised on:	N/A

RESOLUTION NO. _____2021

A RESOLUTION OF THE CITY OF READING CITY COUNCIL, BERKS COUNTY, PENNSYLVANIA TO APPROVE OR DISAPPROVE THE CERTIFICATE OF INSUFFICIENCY ISSUED TO THE WE THE PEOPLE CIRCULATORS COMMITTEE FOR THE FREEDOM FROM TOXIC TRESPASS PETITIONS, AS PER CHARTER § 1105. INITIATIVE AND REFERENDUM; PROCEDURE AFTER FILING, PART B.

WHEREAS, We The People filed a Circulators Committee Affidavit on June 16, 2021 for an initiative to amend the Charter by creating a new “Freedom From Toxic Trespass” section and petitions were issued to the Committee with a due date of August 20, 2021; and

WHEREAS, said petitions were submitted the afternoon of August 20, 2021 and after a facial review the City Clerk determined that the petitions submitted were insufficient as follows:

- Said petitions contained a total of 1,698 signatures, 302 less than the Charter required 2000 signatures of those registered City voters
- In addition, 89 signatures were stricken as they did not have a valid City address or failed to include an address or signature
- The signatures from four petitions were stricken as they were not circulated by those listed as circulators on the Petitioners Committee
- Leaving 1,609 signatures; and

WHEREAS, the City Clerk mailed the required notice by certified mail and first class mail to the chair of the Circulator’s Committee on August 25th – both letters were returned to City Hall on by the US Post Office on Wednesday, September 15, 2021 as undeliverable; and

WHEREAS, the City Solicitor and City Clerk met with the Circulator’s Committee on September 15th and petitions to amend were provided to them as per Charter §1105. Initiative and Referendum; procedure after filing, Part a with a due date of September 27, 2021; and

WHEREAS, said amended petitions were submitted the afternoon of September 27, 2021 and after a facial review the City Clerk determined that the petitions submitted remained insufficient as follows

- Said amended petitions contained a total of 136 signatures; however, 8 signatures were stricken as they did not have a valid City address or failed to include an address.
- Creating a subtotal of 128 signatures
- The original petitions contained 1,609 signatures and adding the 128 signatures from the amended petitions creates a grand total of 1,737 - 263 short of the required 2,000 signatures; and

WHEREAS, on the afternoon of Friday, October 1, 2021, Cesar Cepeda emailed a Letter to the City Clerk requesting that Council make the final determination as to the Sufficiency of the petitions as per as per Charter § 1105. Initiative and Referendum; procedure after filing, Part b. Mr. Cepeda also provided hard copies of the letter to the City Solicitor and City Clerk on the same afternoon; and

WHEREAS, Council Members where provided with an opportunity to review both the Certificates of Insufficiency and the Petitions with the signatures themselves which were also posted on the City's website.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF READING AS FOLLOWS:

Section 1. The foregoing "WHEREAS" recitals are hereby ratified as being true and correct and incorporated herein.

Section 2. The City of Reading City Council hereby finds that the petitions submitted by We The People for an initiative to amend the Charter by creating a new section named "Freedom From Toxic Trespass" are hereby determined as **sufficient/insufficient**.

Adopted on _____ 2021

Jeffrey S. Waltman, Council President

Attest:

Linda A. Kelleher CMC, City Clerk

Drafted by: HR Department/Law Department
Referred by: HR Department
Introduced on: Oct 11, 2021
Advertised on: N/A

RESOLUTION NO. _____2021

**THE COUNCIL OF THE CITY OF READING HEREBY RESOLVE AS
FOLLOWS.**

Ratifying the Collective Bargaining Agreement between the City of Reading and the American Federation of State, County and Municipal Employees (AFSCME) Local 2763 regarding salary changes and other provisions as set forth in the Contract Agreement with an effective date January 1, 2021. A copy of the Contract Agreement is attached as Exhibit "A."

Adopted by Council _____, 2021

Jeffery S. Waltman, Sr.
President of Council

Attest:

Linda A. Kelleher CMC
City Clerk

EXHIBIT "A"

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

THE CITY OF READING, PENNSYLVANIA

AND

THE AMERICAN FEDERATION OF STATE,
COUNTY AND
MUNICIPAL EMPLOYEES, AFL-CIO

DISTRICT COUNCIL 88, LOCAL 2763

Effective January 1, 2021 through December 31, 2022

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PREAMBLE

This Agreement entered into by the City of Reading, Berks County, Pennsylvania, hereinafter referred to as "Employer", and the American Federation of State, County and Municipal Employees, AFL-CIO, and its District Council 88, Local 2763, established per PERA-R-3678-C, hereinafter referred to as "Union" has as its purpose the promotion of harmonious relations and cooperation among the Employer, the Union, and each employee to the end that honest, efficient and economical service will be rendered to the public; the establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work and other conditions of employment for the employees in this bargaining unit.

ARTICLE I - RECOGNITION

Section 1. The Union is recognized by the Employer as the exclusive representative for collective bargaining purposes under Act 195 for all full-time and professional and nonprofessional non-uniformed employees, excluding confidential employees, seasonal employees, casual employees, supervisors, management level employees, school crossing guards and guards as defined in the Act.

Section 2. Except as expressly provide otherwise in a specific provision of this Agreement, the term "Employee" as used in this Agreement shall mean a full-time employee. A full-time employee is one who regularly works at least 29 hours per week. A part-time employee is defined as an employee working less than twenty-nine (29) hours per week.

Section 3. The City and the Union agree that the following professional positions exist in this bargaining unit:

Community Development Specialist I
Community Development Specialist II
Community Development Specialist III
Community Development Specialist III/Historic Preservation Specialist
Fiscal Officer
Accountant
Librarian I
Librarian II
Librarian III
Municipal Professional
Planner I
Planner II
Planner III
Revenue Accountant

ARTICLE II - UNION SECURITY AND DUES DEDUCTION

The Employer shall inform new, transferred, promoted, or demoted employees in the bargaining unit that the Union is the exclusive representative. The Employer shall provide Employees with Union membership and dues deduction materials. The Union shall furnish the Employer with sufficient copies of membership and dues deduction materials.

The Employer agrees to deduct an amount equal to the Union dues and assessments, if any, from the pay of those Employees who individually request in writing that such deductions be made. Such requests shall be made on a Union payroll deduction authorization card, which the Employer will implement in a timely manner upon receipt. The amounts to be deducted shall be certified to the Employer by the Union, and the aggregate deductions of all Employees shall be remitted together with an itemized statement to the Union by the last day of the succeeding month after such deductions are made.

The Employee's dues deduction authorization shall remain in effect until expressly revoked in writing by the Employee in accordance with the terms of the authorization. When it is determined by the Union that an Employee's payroll dues deduction should cease, the Union shall be responsible for notifying the Employer in writing. The Employer shall rely on the information provided by the Union to cancel or change authorizations.

The Union shall indemnify and hold the Employer harmless against any and all claims, suits, orders or judgements brought or issued against the Employer as a result of any action taken or not taken by the Employer under the provisions of the Article.

ARTICLE III - DUES DEDUCTION

Section 1. The Employer agrees to deduct the Union dues from the pay of those employees who individually authorize in writing that such deductions be made; said authorization shall be irrevocable by the Employee during the term of this agreement, except for a time period consisting of fifteen (15) days prior to the expiration of the then current contract. The amounts to be deducted shall be certified to the Employer by the Union, and the aggregate deductions of all employees shall be remitted within the thirty (30) days, except under extenuating circumstances, together with an itemized statement and a list bearing thereon the name of the employees for whom the deductions are made to the Business Manager, District Council 88.

Section 2. The Union hereby certifies that its present amount of membership dues are established. In the event the amount of dues is hereinafter changed, such changes shall be provided in writing to the Employer thirty (30) days prior to any change in dues deductions.

Section 3. The Employer further agrees to deduct a fair share fee in equal installments based on the number of payrolls per calendar year from all employees in the bargaining unit who are not members of the Union. Authorization from non-members to deduct fair share fees shall not be required. The amounts to be deducted shall be certified to the Employer by the Union, and the aggregate deductions of all employees shall be remitted together with an itemized statement to the Union by the last day of the succeeding month, after such deductions are made.

Section 4. The Union shall indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the Employer as a result of any action taken or not taken by the Employer under the provisions of this Article.

ARTICLE IV - HOLIDAYS

Section 1. The following days shall be recognized as paid holidays:

New Year's Day
Martin Luther King Day
President's Day
Memorial Day
Juneteenth Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

Section 2. Monday shall be recognized as the holiday for all holidays that occur on Sunday, and Friday for all holidays that occur on Saturday.

Section 3. If an employee is called upon to and does work on any of the holidays set forth in Section 1 of this Article, they shall be paid as provided in Article VI.

Section 4. Any employee who is absent without paid leave or reasonable excuse, either the workday before or after a holiday will forfeit the holiday pay.

Section 5. Established holidays may be changed only by mutual agreement.

Section 6. The holiday observance shall be those established by Federal observance.

Section 7. Each employee shall be granted two (2) personal days. Employees may not use personal days unless approved by the supervisor if the day is either one week before or one week after a holiday.

Section 8. To the extent that the provisions of this Article conflict with the provisions of Article XXVIII which applies solely to certain members of the bargaining unit who have been assigned to the Department of Police, the provisions of Article XXVIII shall control rather than the provisions of this Article.

ARTICLE V - VACATIONS

Section 1. Employees hired prior to January 1, 2012, shall earn vacation leave according to the following schedule:

- a. 5/12 of a day a month for the first year of service.
- b. For the second year to the eighth year of service - two weeks or ten (10) work days.
- c. After eight (8) years of service - three weeks or fifteen (15) work days.
- d. After fourteen (14) years of service - four weeks or twenty (20) work days.
- e. After twenty (20) years of service - five weeks or twenty-five (25) work days.
- f. After twenty-five (25) years of service — six weeks or thirty (30) work days.

Employees hired on or after January 1, 2012, shall earn vacation leave according to the following schedule:

- a. After one (1) year to three (3) years of service — 7 days
- b. At the start of four (4) years of service — 10 days
- c. After ten (10) full years of service — 15 days
- d. After fifteen (15) full years of service — 20 days

Section 2. Years of service shall be defined to mean:

The anniversary year in which the individual shall have completed the specified number of years. The years of service shall be computed from the first day of the anniversary year following the completion of the specified number of years within each category.

"Years of service" shall mean all years of continuous service since the last date of hire as a City employee. All employees in the rank and file unit prior to March 1, 2005 will carry all City seniority as bargaining union seniority.

Section 3. All vacation leave will be subject to the following conditions:

- a. No employee shall receive vacation leave in excess of the amount accruing.
- b. Vacation leave is not intended to be accumulated.
- c. Vacation leave must be taken in blocks or not less than five (5) days and at time approved by the Department Head; however, a total of fifty percent (50%) of vacation leave may be taken in one or more day groupings. Employees with less than ten (10) days' vacation time accrued may take vacation in one or more day groupings as approved by the Department Head.
- d. Vacation preference requests to be effective after March 1st, of each year must be submitted by February 1st, of the same year. An employee who has not expressed their preference for vacation time prior to February 1st shall have a vacation time scheduled by their Division Manager. If the employee thereafter expresses a preference for a different vacation time, their vacation time may be re-scheduled so as not to interfere with production requirements or the vacation schedule of other employees in the division.
- e. In scheduling vacation for the month of January and February, the employee will be given preference according to seniority, and must request vacation by December 1st, of the preceding year.
- f. Vacation preference shall be granted to employees with the greatest seniority in the division, subject, however, to the work needs of the City, which shall control all vacation scheduling. Vacation time earned shall not be restricted to any particular month or period in the year.

Vacation scheduling shall as nearly as possible, in keeping with the needs of the Employer, be balanced equally throughout the year by dividing the division's total vacation liability by fifty-two (52) weeks.

- g. Vacation leave shall be earned by and granted only to permanent full-time employees.
- h. For employees hired on or before December 31, 2011 no vacation shall be taken during an employee's first six (6) months of employment.
- i. On termination of employment an employee shall receive a pro rata vacation leave in the category set out above as of the date of termination, except that on retirement there shall be no pro rating.
- j. Consideration may be given for emergency vacation requests.
- k. An employee who becomes ill and is hospitalized during his/her vacation may change his/her absence to sick leave provided that he/she furnishes a physician's certificate to the Employer.

Section 4. If a holiday occurs during the calendar week in which a vacation is taken by an employee, at the option of the employee, the vacation may be extended by one (1) additional day or the employee may take one day as a personal holiday on a date mutually agreed upon between the employee and his/her supervisor.

Section 5. To the extent that the provisions of this Article conflict with the provisions of Article XXVIII which applies solely to certain members of the bargaining unit who have been assigned to the Department of Police, the provisions of Article XXVIII shall control rather than the provisions of this Article.

Section 6. All vacation must be scheduled in accordance with Section 3 above and must be taken during the calendar year; provided, that if an employee is prevented by the Employer from taking their scheduled vacation in either the months of November or December due to an emergency, then said employee may reschedule their vacation at a mutually convenient time for the Employer and said vacation may be carried over into the following year. Any carry-over for vacation under this section shall be in writing approved by Managing Director.

For purposes of this section alone, emergencies shall mean a cause or event which affects the employer's operation and causes the employer in its sole discretion to cancel the employee's vacation. It specifically does not include any cause or reason in the employee's personal life, whereby the employee is attempting to reschedule their vacation for any reason whatsoever.

ARTICLE VI - HOURS OF WORK – OVERTIME

Section 1. The total number of hours of employment shall remain as at present except that as of July 1, 1974, employees working in the same office shall work the same number of hours, which number of hours shall be the greater of the hours worked by persons in that office, and any employees doing the same work outside of City Hall shall work the same number of hours, which number of hours shall be the greater of the hours worked by persons outside of City Hall. As far as practical, this work day shall conform with the established hours of business. This conformity shall not interfere with the special schedules governing departments operating more than eight (8) hours in each calendar day or shall this provision for an eight (8) hour day be construed as prohibiting the creation of part-time employment or the establishment of rotative, staggered or shortened work periods.

Section 2. Except in seven (7) day a week City operations, the normal work week shall be for full-time employees Monday thru Friday, forty (40) hours, modified as above. However, nothing in this Agreement shall be construed as a guarantee or limitation of the number of hours to be worked per week.

Section 3. One and one-half times ($1\frac{1}{2}$) the employees' regular hourly rate of pay shall be paid for work under any of the following conditions:

- a. For any work performed in excess of eight (8) hours in any work day.
- b. For any work performed in excess of forty (40) hours in any work week.
- c. For any work performed on Saturday except in the case of employees who regularly work in operations which function seven (7) days a week.

Section 4. One and one-half ($1\frac{1}{2}$) the employees' regular hourly rate of pay shall be paid for any work performed on Sunday, unless that day be part of the employees regular scheduled work week. Effective January 1, 1998, said rate shall also be paid for all consecutive hours worked beyond sixteen (16).

Section 5. Employees working on a holiday shall receive one and one-half ($1\frac{1}{2}$) the employees' regular hourly rate for the first eight (8) hours worked plus the holiday pay. Any hours worked in excess of eight (8) hours on a holiday shall be paid at one and three ($1\frac{3}{4}$) quarters the employees' regular hourly rate.

Section 6. All overtime previously paid at double time will be paid at one and one-half ($1\frac{1}{2}$) the employees' hourly rate, except for the following holidays:

The Employer shall pay double time for time worked on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve and Christmas Day.

Section 7. Payment for overtime is to be made on the first pay period following the pay period in which the overtime is worked.

Section 8. Overtime shall be equalized within a division by classification provided the employee is qualified and capable of performing the overtime work. Employees who wish to work overtime shall sign an availability list. Overtime shall be offered to the most senior qualified employee who has the least number of overtime hours accumulated. Posted availability lists shall be open for deletions or additions the last five (5) working days of each month.

The Supervisor shall make a reasonable attempt to contact an employee on the overtime availability list. If the Supervisor is unable to contact the employee and a household member or answering machine is available, the Supervisor will leave a message with the household member or on the answering machine regarding the availability of overtime. Once said message is left with the employee's household member or on the employee's answering machine it shall become the duty of the employee to contact the Supervisor prior to the Supervisor making contact with the next available person on the overtime list. Any employee who could not be contacted or refused overtime shall be charged with the number of hours worked.

If an employee is found to have been deliberately skipped over for overtime, the employee will be made whole through the grievance process for the hours that should have been available to them.

Any employee entering a Division or moving from the unavailable to the available list shall assume the average number of overtime hours for his/her classification within that Division. Any employee on approved leave shall assume the average of overtime hours worked in that period.

Hours of work on a holiday shall not be construed for equalization of overtime.

If all of the employees within the classification on the availability list after having been canvassed, refuse to report for the overtime work then the employer shall call in said employees with the most number of charged overtime hours and these employees shall be compelled to work. However, in any emergency, the City may deny employees the right to refuse overtime.

An employee with approved time off both before and after a weekend will not be charged for hours during the weekend. In cases when time off is approved for an entire work week, an employee will not be charged hours for the weekend preceding or following the scheduled time off.

The City agrees to post amended lists of overtime after each occurrence.

Section 9. Overtime or duplicate pay of any kind shall not be pyramided.

Section 10. In any seven (7) day operation, where an employee works a sixth (6th) consecutive day, they shall be paid time and one-half (1½) for that day and double time on the seventh (7th) consecutive day.

Section 11. In the event an employee requests compensatory time in lieu of payment for any of the above mentioned hours of work, compensatory time shall be given on a straight hour for hour basis; except that in cases over eight (8) hours in any one day or forty (40) hours in one week such compensatory time will be given at the rate of one and one-half (1½) hours for each hour worked over said limitations. Any compensatory time shall be scheduled with the approval of the applicable Division head and shall be in writing and shall be scheduled so as not to interfere with Division operations. However, any employees right to request compensatory time shall be limited to compliance with the Fair Labor Standards Act.

Section 12. Notwithstanding any of the preceding sections the parties agree that with regard to the employees involved at the Sewage Treatment Plant the following provisions shall prevail:

- a. Both the employer and the Union agree that the adoption of the staggered work schedule as shown in Exhibit A will result in a work week that does not constitute the normal work week described in Section 2, Article VI of the original Agreement between the parties and that therefore, the provisions of Article VI would normally prevail. However, it is the agreement of the parties that employees will now be required to work Saturdays and Sundays at certain times during said schedule and that it is not the intention of the parties that Article VI, as it is presently worded, should govern those employees and that this Section shall govern those employees rather than Article VI.
- b. Parties specifically agree that Section 3, sub-section b and c shall not apply to this schedule; however, that Section 3a shall still be applicable in that any work performed in excess of eight (8) hours in any work days shall be treated as overtime and shall be paid one and one-half (1½) times the employees regular hourly rate of pay.
- c. Both the City and the Employee agree that in the event any work is performed on a Saturday and Sunday that shall not be treated as overtime except to the extent that the employee had been scheduled to be off that particular day and has been required to work by a directive of the supervisor, in which event it shall be considered as overtime pursuant to Article VI.
- d. Both parties acknowledge and agree that Section 9 of Article VI shall not be applicable to employees working the schedule adopted herein.

Section 13. The parties agree the employees in the following Division's work week will consist of forty (40) hours:

Health & Codes Office
Division of Traffic Engineering
Radio Dispatchers and Complaint Clerks, Police Department

Section 14. Employees occupying professional positions are salaried and shall not receive monetary reimbursement for overtime and Sections 3, 4, 5, 6 and 9 of this Article shall not be applicable to the professional positions within the bargaining unit. Instead, compensatory time in compliance with the Fair Labor Standards Act shall be given for such time worked as is described in this Article, Sections 3, 4, 5, 6 and 9 and any other such provisions which may be in this Agreement. Such compensatory time shall be scheduled with approval of the applicable Division Head and shall not interfere with Division operations.

Section 15. Only hours actually worked, paid vacation leave, paid holidays, paid personal days, paid bereavement leave, paid comp time, and paid jury duty leave shall be counted toward the computation of overtime. Paid sick leave and other paid leaves shall not count toward the computation of overtime.

Section 16. Overtime shall be rounded to the nearest quarter of an hour.

Section 17. For Police Dispatch mandatory overtime will follow reverse seniority where the lowest person will not be mandated two (2) days in a row and no more than two (2) days in a ten (10) day time span. For mandation purposes the person with the least amount of hours on the current shift shall be assigned overtime. In the event an employee is already working overtime he/she will be at the bottom of the mandatory overtime list. If all employees are already working overtime, the employee with the least amount of hours shall be mandated. Every 90 days the overtime list shall reset to zero (0).

ARTICLE VII - CALL TIME & REPORTING TIME

Section 1. Employees called into work outside of his/her regular work shift shall be guaranteed a minimum of two (2) hours of pay at the appropriate hourly rate. Said employee shall not be required to remain for the full two (2) hours if the employee has completed the tasks for which the employee is called in. If said employee is called back within the two (2) hours, the employee shall receive no additional call out time.

Section 2. An employee reporting to work at his/her regularly scheduled shift and sent home to return at a later time on the same day shall receive two (2) hours pay at the employee's regular rate but not to be computed in overtime unless actually worked.

Section 3. This Article shall not apply to professional employees.

ARTICLE VIII - STAND-BY TIME/CELL PHONE/ ELECTRONIC BEEPER TIME

When the employer for any reason requires any employee to be on stand-by time, at their home, the request shall be in writing to the employee. The employee shall receive one-quarter (1/4) of their regular hourly rate of pay for all stand-by hours.

Employer agrees that stand-by time shall be equalized among employees in the same manner as overtime.

For purpose of this Article alone Employer and Union agree that to the extent that any employee is given an electronic beeper or other device to enable Employer to contact Employees that employee shall be entitled to a flat payment of \$25.00 per day on account of having electronic beeper; provided however that if employee is called to work they shall be entitled to compensation in accordance with overtime and call time sections of this contract.

For purposes of this Article any employee given an electronic beeper or other device shall only be entitled to the \$25.00 per day flat payment and shall not be considered to be on stand-by time.

City cell phones shall be provided to employee's carrying the beeper for City business.

This Article shall not apply to professional employees.

ARTICLE IX - LIFE INSURANCE

Section 1. The employer shall provide for each employee group life insurance, with accidental death and dismemberment benefits in the amount of \$30,000.00.

ARTICLE X - WAGES

Section 1. Wage increases shall be as follows:

Effective 1/1/2021	four percent (4%) wage increase
Effective 1/1/2022	four percent (4%) wage increase

The City agrees to continue a three (3) tier progression for the position of Tradesman and Trades Inspector, the first step being the base salary and the second step being the Journeyman and the third step being the Master. Anyone obtaining a Journeyman's license shall receive an additional \$1.00 per hour over the base salary of the Tradesman or Trades Inspector, and anyone reaching the third step of Master shall receive an additional \$1.00 per hour over the salary of Journeyman provided that the only persons entitled to these additional payments shall be those persons where their job description requires them to be licensed.

Employees who are currently eligible and receiving longevity pay shall have their longevity pay frozen at the current rate for the duration of the Act 47 plan. Longevity pay shall not be available or provided to employees hired after January 1, 2012.

In accordance with preceding paragraph, seniority steps for employees hired on or before December 31, 2011 are as follows:

Step A	0 to 6 months of employment
Step B	6 months to 5 years
Step C	after completion of 6 years
Step D	after completion of 11 years
Step E	after completion of 16 years
Step F	after completion of 21 years
Step G	after completion of 26 years
Step H	after completion of 31 years
Step I	after completion of 36 years

Section 2. It is understood and agreed by and between the parties hereto that variations in pay and hours of work shall not be the subject of any grievance or charge of discrimination.

Section 3.

- a. There shall be a shift differential payment whereby any employee assigned to the second (2nd) shift shall be paid the additional sum of \$.30 per hour as shift differential and any employee assigned to the third (3rd) shift shall be paid the additional sum of \$.35 per hour. Effective January 1, 2011, any employee assigned to the second (2nd) shift shall be paid the additional sum of \$.40 per hour and any employee assigned to the third (3rd) shift shall be paid the additional sum of \$.50 per hour. Any employee who works two (2) hours or more in a single shift and continues to work two (2) hours or more into a shift with a higher differential shall

receive the higher shift differential for all hours worked in the shift with the higher differential. In order to qualify for shift differential the employee must be assigned to either the second (2nd) or third (3rd) shift and this payment will not apply to any employee working overtime beyond the first (1st) shifts normal termination point.

- b. Winter Bid assignments shall be maintained from January 1st to March 1st.

This section does not apply to professional employees.

Section 4. The City shall pay professional employees longevity increments in accordance with Bills #188-90, #4-91, #47-91, #4-92 and #70-92 except that for the duration of the Act 47 plan and beyond, longevity will be frozen at the current rate.

Section 5. There shall be direct deposit of paychecks for all employees hired after the execution of the date of this Agreement and for current employees who request direct deposit.

Section 6. Paychecks shall be provided in sealed envelopes.

ARTICLE XI - HOSPITAL, MEDICAL & DENTAL INSURANCE

Section 1. Effective January 1, 2010, the City will offer three (3) insurance plans which includes prescription, to employees from which the employee may select the coverage they desire. See attached.

Section 2. The City shall pay the following allotment towards health and prescription coverage. The employee will be responsible for the remaining balance.

	2021	2022
SINGLE	\$770	\$809
DUAL	\$1,560	\$1,638
FAMILY	\$2,289	\$2,404

- a. Starting in 2018, the City and the Union will form a health and welfare committee to discuss healthcare options once the City exits Act 47 in 2022.

Section 3. Employees will have the option of selecting dental (with perio) and vision coverage at the additional cost as determined by the plan.

Section 4. The Employer shall have the right at any time to change or substitute carriers to provide any benefits set forth in this Agreement so long as the benefits are substantially similar. In determining whether the benefits and Plan are "substantially similar," consideration shall be given to the similarity and benefits provided, out-of-pocket expenditures for members, the provider network and facilities, and the Bargaining Unit's utilization of the Plan. The Employer shall have no duty to offer a plan which is unavailable to the Employer. Before making any healthcare or insurance plan benefits changes, (1) the Employer shall provide the Union at least thirty (30) days advance notice and the opportunity to review the carrier and benefits, and (2) the Employer shall provide the Union with information, including the description of the benefits, premium co-payments, plan deductibles and plan co-payments.

Section 5. All employees are hereby required to comply with the rules and regulations of the Employer with regard to precertification. Effective January 1, 1988 any employee who fails to comply with precertification in accordance with the aforesaid rules and regulations shall be subjected to a 20% penalty whereby said employees shall be responsible for 20% of any costs.

Section 6. For employees who retire after January 1, 2008, the City shall provide and pay for the same medical benefits and prescription (excluding dental) on the same terms it supplies to current employees under the following conditions:

- a. The employee must qualify for either a full pension or a disability pension under the City pension Ordinances.

- b. Only the employee and the employee's spouse shall be eligible for coverage so long as they remain as a spouse.
- c. The benefits shall not be provided for employees who are eligible for coverage substantially similar and at no greater premium contribution under the group medical insurance plan of another employer or a spouse's employer or who subsequently become eligible under another plan.
- d. The benefits shall cease when the employee attains sixty-five of age and qualifies for Medicare and/or Medicaid coverage.
- e. Upon the death of the retired employee, the employer shall not be required to continue any coverage for surviving spouse.
- f. During the period of coverage, the City may require proof of eligibility for the above benefits.

There shall be no post-retirement medical and prescription benefits provided to any employee hired on or after January 1, 2012.

Section 7. Employee contributions for medical benefits will continue into retirement for employees retiring prior to December 31, 2011, except that those employees retiring on or after January 1, 2012, shall have the City allotment towards their health care capped at the amount paid upon their retirement. Said retirees shall bear the increases of any healthcare thereafter.

Section 8. The City shall perform an audit of eligible employees/retirees and their dependent(s) to assure only eligible employees/retirees and dependent(s) are covered under the City's insurance plans.

Section 9. The City will pay for one full month of medical coverage for spouse of deceased.

Section 10. Employees are required to complete a health risk assessment with the City's wellness program by July 1st of each calendar year. Those who do not comply will receive a 25% increase in their payroll co-pay premiums. Health risk assessment results are compliant with HIPAA regulations.

ARTICLE XII - REST PERIODS & MEAL PERIODS

Section 1. All employees' schedules shall provide for a ten (10) minute rest period during each one-half (1/2) work shift. The rest period shall be scheduled whenever possible at the middle of such one-half (1/2) shift.

Section 2. All employees shall be granted a lunch period during the third to fifth hours of their work day which lunch period shall be unpaid except for 24 hour operations.

Section 3. An employee who has worked sixteen (16) hours or more consecutively shall have the option of an eight (8) hour rest period, except in the case where an employee's services are required to meet an emergency.

ARTICLE XIII - LEAVE OF ABSENCE

Section 1. Employer will permit a leave of absence not to exceed forty-five (45) calendar days without pay in cases where required by disability and other circumstances; the decision to grant the leave of absence shall be made by the Managing Director and department head upon application by the Employee. The department head's decision to grant or deny a leave of absence or a decision with regard to the length of time granted up to forty-five (45) days shall be arbitrable by the Union.

Section 2. For any leave of absence beyond the initial forty-five (45) day period employees shall have the right to make said requests to the Managing Director and their department head and the Managing Director and their department head shall have the right to grant such requests for additional leave of absences as the Managing Director and their department head in their sole discretion determines to be appropriate. The decision of the Managing Director and their department head to grant or deny any additional leave of absences following the initial forty-five (45) day period shall be non-arbitrable. Notwithstanding this matter is not subject to arbitration the Union shall have the right to meet with the Managing Director and their department head for purposes of discussing their decision and supplying them with any additional information they feel relevant.

Section 3. Employees desiring a leave of absence shall pick up the necessary forms in the Human Resources Office and after preparing the request, return the request to the Human Resources Office which request in its completed form must be submitted to the Human Resources Office not later than five (5) days before the leave requested is to begin.

Section 4. The requests shall be answered by the Managing Director and their department head within five (5) days.

Section 5. Employee shall continue to accrue seniority while on such leave of absence. No other benefits shall be received or accrued by an employee during such leave of absence, except as provided in Article XI.

Section 6. In the event that leave under this Article qualifies as leave authorized as Family Medical Leave, leave under this Article shall be taken concurrently with any available FMLA leave.

ARTICLE XIV - FUNERAL LEAVE

Employees shall receive leave with pay in the event of a death in the family as follows:

In the case of spouse, parents, children, brother, sister, grandparents, grandchild or step-child living in the household, father-in-law, mother-in-law, step-father, step-mother, life partner*, from the day of death and within fifteen (15) days, for a maximum of four (4) days.

In the case of the death of brother-in-law, sister-in-law, step-child not living in the household, aunt or uncle, step-brother, step-sister, aunt and uncle of spouse, and great grandparents, for one (1) day before and one (1) day of the funeral.

Additional time may be granted by the Managing Director on a case by case basis for extenuating circumstances.

*Employee must complete a life partner application (showing one (1) item of proof) with the Human Resources Office by January of each year to be eligible for this paid leave. (SEE EXHIBIT B)

ARTICLE XV - JURY OR WITNESS DUTY

An employee called to serve as a juror or subpoenaed in court proceedings as a witness in any case other than one in which he/she is a party, will be excused from work and shall for that time be paid the difference, if any, between the compensation received as a juror or witness and his/her regular wages.

ARTICLE XVI - MILITARY LEAVE

Section 1. Employees who are required to report for active duty shall be granted a military leave of absence subject to applicable Federal and State legislation.

Section 2. Employees who report for annual military training shall have such time, for a maximum of fifteen (15) days per year. Employees shall be paid for such time the difference, if any, between what they receive in any way as military compensation and their regular pay.

ARTICLE XVII - CHILDBIRTH/CHILD REARING LEAVE

Section 1. An employee, regardless of gender, who has become a parent by natural birth may apply for unpaid leave for the purpose of child care. The child care leave shall not exceed a period of six (6) consecutive calendar months which six (6) month period shall begin upon the first day of leave.

Section 2. The employee shall give written notice of the desire to take such leave at such time as the pregnancy has been definitely determined and submit a written application to his/her supervisor for such leave by the end of the fifth (5th) month of pregnancy but in no event less than one (1) month prior to the beginning of the requested leave. Such notice shall be accompanied by a physician's certificate setting forth the date of the expected birth if the leave is to begin heretofore. Failure to make application as here provided shall be the basis for termination of employee status.

In no case shall the employee be required to take leave prior to childbirth unless she can no longer satisfactorily perform the duties of her position.

While on leave, the employee's duties shall be performed by remaining staff and the position be kept vacant or they shall be performed by a substitute employee.

Section 3. An employee, regardless of gender, who adopts a child under the age of six (6) years may apply for an unpaid leave of up to six (6) calendar months which shall begin when the child is physically turned over to the employee or on a date reasonably in advance thereof as may be agreed by the Employer and employee. The employee shall give notice of the desire to take such leave as soon as the employee knows that the child intended to be adopted will be acquired.

Section 4. Application for return to employment shall be made to the Human Resources Manager at least two (2) weeks prior to the end of the leave and in the case of a mother with a newborn child shall be accompanied by a physician's certificate that the employee at the termination of the leave will be fully capable of carrying out her duties.

Section 5. An employee on unpaid child rearing leave shall not accrue sick leave days during such leave.

Section 6. Employee has the right to return to the same position in the same classification he/she held before going on child rearing leave, or to an equivalent position with regard to pay and skill and seniority.

Section 7. Employee shall continue to accrue seniority while on such leave. No other benefits shall be received or accrued by an employee during such leave of absence, except as provided in Article XXI.

Section 8. An employee shall use accrued sick leave as well as accrued vacation leave for the period that she is unable to work as certified by a physician. All other periods of leave related to childbirth leave shall be leave without pay. Unused leave shall be carried over until her return.

Section 9. Employees who have been granted a child rearing leave shall be allowed to return to work part-time during said child rearing leave subject to the six (6) month limitation set forth in Section 1 of this Article.

Section 10. In the event that leave under this Article qualifies as leave authorized as Family Medical Leave, leave under this Article shall be taken concurrently with any available FMLA leave.

ARTICLE XVIII - SICK LEAVE

Section 1. Each employee in this unit may use a total of three (3) sick leave days per year for illness, injury, or doctor's appointments/visits of a family member. Otherwise, sick leave is granted for illness, injury, or doctor's appointments/visits and payment of sick leave is restricted to that.

The employee will make every attempt to schedule doctor's appointments/visits outside of working hours.

Section 2. Employees shall be allowed twelve (12) sick leave days per year which shall be accumulated at the rate of one (1) day per working month. However, no sick leave shall be accumulated unless an employee works at least half (1/2) the days during the month, when an employee is on sick leave.

Section 3. Any employee using sick leave shall report by telephone or messenger to his/her supervisor not less than one-half (1/2) hour before the scheduled starting time for that days' work. Any employee working in a 24-hour operation using sick leave shall report by telephone or messenger to his/her supervisor not less than two (2) hours before the scheduled starting time for that days' work.

Section 4. Each employee shall receive sick leave from his/her first day of sickness.

Section 5. It shall be the prerogative of the Human Resources Office to require an employee to provide a physician's certificate in any instance where sick leave has been used and the possibility of abuse or improper use is suspected. Such certificate shall state that the employee has been examined, that the employee is unfit to work and the probable date at which the employee will be able to return to work. Human Resources may also require that an employee returning from sick leave supply a physician's certificate that the employee is sufficiently recovered from the illness which caused the absence to return to work.

The City shall establish a sick leave policy that gives management the discretion to impose sanctions to control sick leave use. The City will meet and discuss the creation of said policy with the Union, however, the final policy is at the discretion of the City with consideration for the Union's concerns.

Section 6. Employees shall be required to provide a physician's certificate for three (3) or more consecutive days of absence.

Section 7. The City can discipline up to and including termination immediately for violation of Section 5 and/or Section 6 of this Article.

Section 8. Employees shall earn sick leave from their date of hire, however, no sick leave shall be granted during an employee's probationary period except for inpatient hospitalization.

Section 9. An employee shall not be entitled to sick leave when the injury or illness is attributable to employment outside the City service.

Section 10. Employee shall accrue unused sick leave from year to year with a maximum accumulation of sixty (60) days.

Section 11. The sick leave pool shall work in accordance with the following regulations:

- a. In addition to the sick leave which each employee accrues individually, the Employer agrees to contribute to the sick leave pool, sick leave days at the rate of one (1) day per month per employee in the same manner and according to the same provisions that sick leave is accumulated by the employees individually. In no event shall the total contribution by the Employer per employee exceed twelve (12) in one year; however, said total may be less than that for an individual employee who has not qualified for a maximum of twelve (12) in any one (1) year.
- b. No employee shall be allowed to draw from the sick leave pool unless they have accumulated thirty (30) sick leave days as of the time of the onset of their illness or injury.
- c. No employee shall be eligible to utilize sick leave from the pool unless that employee has an extended illness and has exhausted his or her sick leave; provided however that no employee shall be eligible for the sick leave pool until such time as the employee has utilized all of his/her accumulated sick leave days.
- d. Any employee desiring to utilize sick leave from the pool shall have satisfactory evidence demonstrating that their illness or injury is such that it will continue for an extended period. In order to qualify as an extended period of illness or injury, the employee shall be required to submit a medical opinion in form and manner satisfactory to the employer that in the opinion of a physician the employee's illness or injury will totally incapacitate said employee for a period of not less than thirty (30) days after the date that the employee has expended his/her accumulated sick leave. In the event that an employee submits a report by a physician and the City would question the validity or the conclusion of the physician, the City shall have the right to have the matter reviewed by the City Health Officer. In the event of a dispute between the opinion of the attending physician and that of the City Health Officer, those two doctors shall refer the matter to a third physician mutually agreeable to the two physicians and the opinion of the third physician shall be binding on both parties. The fee for any report or examination from the third physician shall be borne equally by both parties.

- e. Any employee who has been approved for utilization of sick leave from the sick pool shall only be entitled to draw from said sick leave pool for a maximum of seven (7) calendar months.
- f. Any employee who is approved for utilization of the sick leave from the pool shall, as a condition of continued participation in the pool, submit a statement from their attending physician every two (2) weeks indicating that the total disability is continuing as of that date.
- g. In the event that the illness or disability which qualifies an employee for entrance into the sick leave pool program was caused by the actions or conduct of a third party and the employee as a result of litigation, a claim or settlement with said third party is reimbursed for lost wages on account of the actions of said third party, the employee shall be responsible to reimburse the City for monies paid by the City as a result of the employee's participation in the sick pool program.
- h. Both parties agree that the application for the right to utilize sick leave days from the pool shall be made by the employee on a written form, which form shall be signed by both the employee and the Union and no employee shall have the right for admission into the sick leave pool program without the approval of the Union. City agrees to provide both the Union and the employee with a copy of its decision on any application for utilization of the sick leave pool.
- i. An employee with five (5) years seniority who has accumulated a minimum of thirty (30) sick leave days or more who then experiences an illness of sixteen (16) working days or more will be eligible to accrue sick leave at the rate of two and one-half (2½) days per month for the total number of months it would take them to reach a thirty (30) day accumulation. The total number of months during which the employee may accumulate at the rate of two and one-half (2½) days per month rate shall be as set forth in the schedule below. During the number of months that the employee would be entitled to accumulate at the two and one-half (2½) day rate, any absences shall be subtracted from the days being-accumulated. At the end of the period of months during which the employee is entitled to accumulate at the rate of two and one-half (2½) days per month, the employee would then revert back to the one (1) day a month as set forth in Section 2 above.

SCHEDULE	
BALANCE OF SICK DAYS REMAINING	NUMBER OF MONTHS ELIGIBLE TO ACCUMULATE 2-1/2 PER MONTH
29	1
28	1
27	1
26	2
25	2
24	2
23	3
22	3
21	4
20	4
19	4
18	5
17	5
16	5
15	6
14	6
13	7
12	7
11	8
10	8
9	8
8	9
7	9
6	10
5	10
4	10
3	11
2	11
1	12
0	12

Section 12. Employees who for a one (1) year calendar period have not used any sick leave or been off sick, and all of whose absences have been authorized, shall be entitled to one (1) day of leave.

Section 13. Upon retirement all eligible employees shall be paid up to forty-five (45) days of unused sick leave as follows: ten (10) days at the full day's rate of pay in their final paycheck and \$25 per day up to an additional thirty-five (35) days into a health retirement account for each employee.

For purposes of this section, retirement shall be defined as age 55 with 20 years of service for employees hired prior to January 1, 1988; and age 65 with 25 years of service for employees hired after January 1, 1988.

Section 14. Employees may donate paid leave for any employee who is absent without pay due to unforeseen circumstances. Said request shall come from the Union and be approved by the City. Employees absent due to their own illness/injury may have any type of paid leave donated to their account. The parties agree that employees in this unit may accept/donate appropriate leave to persons outside of this bargaining unit. Leave from employees who already announced their retirement/separation in writing will not be allowed. Additionally, only those employees who are in need of leave after expiration of their leave, and requested by the Union, are allowed.

ARTICLE XIX - SENIORITY

Section 1. Seniority means an employee's length of continuous service with the Employer since their last date of hire.

Section 2. Employees shall be considered probationary employees for their first one hundred-eighty (180) days of employment, and shall be added to the seniority list one hundred-eighty (180) days after their date of hire.

Section 3. A seniority list showing current and continuous service of each employee shall be available to all employees in the Human Resources Office and a list showing date of hire shall be supplied to the Union annually.

All employees in the rank and file unit prior to March 1, 2005 will carry all City seniority as bargaining union seniority. However, employees returning into the bargaining unit from the first level supervisory unit within one (1) year of leaving the bargaining unit may have their rank and file seniority restored minus the time spent as a supervisor.

Section 4. An employee's continuous service record shall be broken by voluntary resignation, discharge for just cause, retirement, failure to return to work as recalled after a lay-off within two (2) weeks absence due to working elsewhere.

There shall be no deduction from continuous service for any time lost which does not constitute a break in continuous service.

An absence of three (3) consecutive scheduled working days without the Employer's express consent, in the absence of extenuating circumstances, failure to return to work as required after termination of leave of absence unless an extension of leave has been granted on request made no less than five (5) days prior to the expiration of said leave will mean termination of employment and therefore seniority.

Section 5.

- a. In the event of lay-off, such lay-off shall be by inverse order of seniority. Employees will be allowed to bump junior employees or bump into any vacant position in the bargaining unit which the employer intends to fill, provided they have the necessary skill and ability to perform the job. The bumping permitted under this subsection shall supersede the usual job bid process.

However, the employee shall be qualified and capable of performing the responsibilities of the position at the time of the bump (placement). The employee bumping into a position is allowed one (1) month of orientation to perform the work of that position.

- b. Should the affected employee be unable to bump under subsection a. above, they will be laid off.
- c. The bumping process described above is subject to the limits set forth in the Operators Certification Section.

In the event of lay-off, employees shall be given a notice of not less than thirty (30) working days.

Section 6. In the case of recall, said recall shall be on the basis of inverse lay-off by classification (clerical to clerical, blue collar/maintenance to blue collar/maintenance, professional to professional) provided the employee is qualified of performing the required work. Recall rights shall expire after eighteen (18) month lay-off.

Section 7. Job openings shall be filled from the most senior within the bargaining unit and who is qualified for the position. An employee who bids from one job to another will not be eligible to bid for a six (6) month period, unless mutually agreed to by the City and the Union.

Section 8. When an employee is transferred into a different position, that employee has thirty (30) days to satisfactorily perform the job. Should the employee's performance fall below satisfactory during said thirty (30) day period, the supervisor shall consult with a Human Resources representative and a decision shall be reached whether or not that employee should remain in said position or return to his/her former position.

Section 9. In the event that a job opening has been posted and no eligible employee has applied for a job within seven (7) days of the initial posting, the City shall have the right to fill said position outside of the bargaining unit provided however that in the event the City has not filled said position within ninety (90) consecutive days of the original posting the City shall re-post the opening before filling said position from outside the bargaining unit.

Section 10. In the event a first level supervisory employee's position is eliminated, said employee shall have the opportunity to accept the first rank and file vacancy for which no rank and file employee has made a claim, for which they are qualified for within their respective Division and Department. Any first level supervisory employee who is transferred into the rank and file unit under this Section within one (1) year of having left the unit shall have their rank and file seniority restored minus the time they spent as a supervisor.

Section 11. When all employees covered by this Agreement are rejected for not being qualified for a job bid, the City will not hire an outsider who is not qualified but instead will train the most senior bidding employee. This provision shall not be interpreted as requiring the City to refrain from hiring a qualified outsider, if one is available. This Section applies solely to the rank and file group of employees and shall not include professional employees and the City will not be required to train any employee for a professional job.

Section 12. The Employer agrees that shift assignments will be made by seniority within a job classification so long as qualifications between the employees or among employees is equal when a vacancy within the department is available.

Section 13. To the extent that the provisions of this Article conflict with the provisions of Article XXVIII which applies solely to certain members of the Bargaining Unit who have been assigned to the Department of Police, the provisions of Article XXVIII shall control rather than the provisions of this Article.

Section 14. Any tie in seniority will be settled by lot.

Section 15. The City will post all first level vacancies at all worksites as a courtesy.

ARTICLE XX - DISCHARGE, DEMOTION, SUSPENSION & DISCIPLINE

Section 1. The Employer reserves the right to discipline for just cause and such discipline shall be subject to the grievance procedure as set out herein. Discharge process shall begin at Step 4 of the grievance procedure.

The City will provide the Union with notices of all disciplinary action taken against any member of the bargaining unit. The city will notify the Union, whenever possible, of all disciplinary actions taken against any member of this bargaining unit twenty-four (24) hours prior to meeting with the bargaining unit member.

Section 2. Each bargaining unit employee shall be supplied with an outline of the City's Human Resources Policies and Procedures Manual.

Section 3. The Employer agrees to discipline employees in such a manner so as not to embarrass the employee before the public or other employees. The Union and Employer agree that non-bargaining unit employees employed by the Employer and members of the bargaining unit shall treat each other with mutual dignity and respect at all times.

Section 4. When employee is to be reprimanded for a matter likely to result in discharge, suspension or written reprimand report, the employee has the right to Union representation.

Section 5. The probationary period for an employee shall be one hundred-eighty (180) days; probationary employees shall not have access to the grievance and arbitration procedure; the Employer does not need just cause to discharge or discipline probationary employees, but rather said employees shall be treated as at-will employees.

Section 6. Management will initiate investigations involving potential disciplinary action within 30 calendar days of the date of occurrence. Management must initiate investigation no later than 45 calendar days from the date of occurrence.

- a. Management shall make every effort to initiate investigations involving potential disciplinary action within 30 calendar days of the date of occurrence. Management must initiate investigations no later than 45 days from the date of occurrence.

ARTICLE XXI - GRIEVANCE PROCEDURE

Section 1. Any grievance or dispute which may arise concerning the application, meaning or interpretation of this Agreement shall be settled in the following manner:

Step 1: The Union shall present in writing the grievance to the grievant's immediate supervisor and a copy to the Human Resources Office within fifteen (15) calendar days of its occurrence or knowledge thereof. The supervisor shall respond in fifteen (15) calendar days.

Step 2: If the grievance remains unsettled, the Union within fifteen (15) calendar days of the receipt of the supervisors answer, shall in writing appeal the grievance to the Human Resources Office, who shall have fifteen (15) calendar days to respond.

Step 3: If the grievance remains unsettled the Union within fifteen (15) calendar days of the receipt of the Human Resources Director's answer, shall appeal the grievance to the Mayor or their designee. The Mayor or their designee shall have fifteen (15) calendar days to respond.

Step 4: The Union shall have the right to demand arbitration through the American Arbitration Association within forty-five (45) calendar days of the date of the receipt of the decision of the Mayor or their designee but not thereafter. If arbitration is demanded it shall be as provided by statute with the American Arbitration Association as arbitrating agency. The cost of arbitration will be shared equally between the parties.

Section 2. Any grievance involving discharge of the employee shall not proceed through steps 1, 2 and 3 outlined in Section 1 above, rather all such grievances shall be submitted directly to the American Arbitration Association within ten (10) days after discharge or knowledge thereof to hear such cases. The cost of arbitration will be shared equally between the parties.

Said arbitrator shall have all statutory rights including the right of appeal for either party as provided by law.

The decision of the arbitrator shall be final and binding, subject only to appeal.

Section 3. Any grievance not settled within the prescribed time limits shall be considered denied and the grievance can be moved to the next level of the grievance procedure. Time limits may be extended by mutual agreement or the parties.

Section 4. Employees shall be permitted to have a representative of the Union present at each step of the grievance procedure.

Employees selected by the Union to act as Union representatives shall be known as Stewards. A written list of the Union Stewards (such lists to outline the area to be represented by Stewards), shall be furnished to the Employer immediately after their designation by the Union. The Union shall notify the Employer of any changes of such Union Stewards. The number of Union Stewards shall be limited to ten (10).

Stewards shall be granted reasonable time during working hours and so long as it does not interfere with the performance of their duties, to process specific grievances without loss of pay.

ARTICLE XXII - INJURY ON DUTY

An employee who sustains a work related injury, as a result of which he/she is disabled, shall be paid the difference between the monies to which he/she may be entitled under workmen's compensation, social security, or other applicable disability benefits and his/her full salary which difference shall be charged to his/her sick leave, and shall be paid only to the extent of his/her accrued sick leave; provided however that the City will only continue its past practice of paying 100% of the employee's salary while the workmen's compensation claim is being processed so long as appropriate guarantees can be realized insuring that the City gets appropriate reimbursement for employees once the claim has been completely processed.

Employees will be charged with paid leave, other than sick leave, only at the written request of the employee.

ARTICLE XXIII - UNIFORM ALLOWANCE, PROTECTIVE EQUIPMENT & TOOL ALLOWANCE

Section 1. If any employee is required to wear a uniform, protective clothing, or any type of protective device as a condition of employment, such uniform, protective clothing, or protective device shall be furnished to the employee's by the Employer; the cost of maintaining the uniform or protective clothing in proper working conditions (including tailoring, dry cleaning, and laundering) shall be paid by the employee, except that if damaged or destroyed on job Employer will repair or replace same.

The City shall have the right to terminate the uniform policy but not to amend the policy.

Section 2. The City of Reading requires all vehicle mechanics to purchase and maintain their own tools. These tools will be maintained in a tool box.

The City of Reading will provide a tool allowance of \$600.00 per year per employee beginning in 2018 during each contract year upon presentation of receipts with the understanding that this allowance is for the entire calendar year. If an employee is transferred or terminated voluntarily or involuntarily for any reason and has utilized their tool allowance greater than a pro-rated amount of \$41.00 per month, the City shall be entitled to a refund to the extent that the tool allowance has exceeded said pro-rated amount. And further the City is authorized to deduct said pro-rate portion to which it is entitled from any funds which it owes the terminated or transferred employee. This allowance may be used to purchase replacement or newly developed tools. Replacement tools will be purchased on a one for one basis. For example, if an employee has a worn out wrench and brings the wrench to the supervisor, the supervisor will take the wrench and note that the employee can purchase a replacement tool from the various name-brand vendors who currently visit the shops. The employee then purchases the tool and presents the receipt to the supervisor for reimbursement.

The employee promises to maintain all tools in proper order and to purchase only those tools necessary to keep proficient in his/her City job.

Section 3. The City of Reading will provide a boot allowance of \$75.00 per year per employee for all Public Works employees. This amount will be paid as of April 1st of the calendar year starting in 2018.

Section 4. The City will reimburse all mechanics for all inspections and emissions testing and certifications.

ARTICLE XXIV - GENERAL PROVISIONS

Section 1. Both the Employer and the Union agree not to discriminate against any employee on the basis of race, creed, color, sex, political affiliation, marital status, age, national origin, union membership, or non-union membership. As used in this Agreement with the exception of Article XVII masculine and/or feminine pronouns where appropriate shall be deemed to include members of the opposite sex.

Section 2. The Employer agrees to allow the union to provide its own locked bulletin board at all worksites for the announcement of meetings, election of officers of the Union and any other material related to Union business. Size of said bulletin board not to exceed 900 square inches. Furthermore, the Union shall not post material detrimental to the labor management relationship nor of a political or controversial nature. The Union may send mail related to Union business to local official Union representatives at appropriate facilities to which mail is delivered.

No Union member or representative shall solicit members, engage in organizational work, or participate in other Union activities during working hours on the Employer's premises except as provided for in the processing of grievances.

Union members or representatives may be permitted to use suitable facilities on the Employer's premises to conduct Union business during non-work hours upon obtaining permission from the Employer's Human Resources officer or their designated representative. Any additional costs involved in such use must be paid for by the Union.

Union representatives shall be permitted to investigate and discuss grievances during working hours on the Employer's premises if notification is given to the Human Resources officer or their designated representative. If the Union representative is an employee of the Employer they shall request from their immediate supervisor reasonable time off from their regular duties to process such grievances. The Employer will provide a reasonable number of employees with time off, if required, to attend negotiating meetings. Such visits shall not interfere with, hamper, or obstruct normal operations of the Employer.

Section 3. During the term of this Agreement, the Employer shall have full right to contract out or sub-contract any City operation or work performed by employees in the bargaining unit if in the judgment of the Employer. This right and responsibility shall not be subject to negotiation.

Section 4. The Union will be entitled to representation on a Safety Committee and said committee will attempt to meet on a monthly basis or as the need arises. The City will continue to make reasonable provisions for the health and safety of its employee's and will comply with all applicable Federal, State and Local laws, regulations and codes.

The Safety Committee will function as a policy advisory group, reviewing current policy and working conditions, and recommend new ideas and improved methods to promote safety.

Section 5. The Employer and the Union agree that each employee shall, at the election of the City receive a complete physical examination by the City Health Officer and at option of the employee shall receive all shots and inoculations necessary to protect the health of the employee, at no cost to the employee.

Section 6. The Employer has available a classification plan which defines and describes representative duties and responsibilities and sets forth the minimum requirements and qualifications essential to the performance of the work of the class. If an employee considers their position to be improperly classified, the employee shall appeal such classification at the second step of the grievance procedure set forth in this Agreement. The decision of the Employer shall be final, binding and determinative of the issue. If a determination is made by the Employer that a position should be upgraded, the employee shall be promoted retroactively to the date the grievance was filed in writing. If a determination is made by the Employer that a position should be downgraded the employee shall be demoted with appropriate change in salary.

The Union recognizes the right of the Employer to direct its working forces, which includes the assignment of work to individual employees, and it further recognizes that such assignments may include work outside an employee's classification. However, it is understood that assignments outside of classification shall be made in a manner consistent with the Employer's operations and organizational requirements.

Whenever an employee temporarily assumes in general the duties and responsibilities of a position in a higher rated classification, the employee shall be compensated at the rate of the job they perform at his/her equivalent step. Payment shall be made no later than one (1) calendar month following the end of each quarter. If the position is filled permanently by other than the person temporarily filling the position, the person temporarily assigned shall be returned to their previous position and compensation, but they shall receive any increments and service credits for such increments to which they would have been entitled had they remained in their normal assignment.

Any employee filling an opening on temporary assignment for no less than one hundred-eighty (180) working days shall be promoted to that position. However, this language does not apply if employee is replacing an employee who is expected to return to work.

In addition, if the Employer assigns an employee on a temporary basis to a lower classification or if an Employee performs some duties and functions assigned to a lower classification, the person so assigned shall receive the compensation of the higher level to which they are regularly assigned. The Employer, however, at any individual work site shall make such assignments on a nondiscriminatory basis so as to equalize the same among the persons within the classification from which assignments are made, so long as such equalization does not interfere with efficient operating procedures.

Grievances arising from the provisions of this section may be processed as provided in this Agreement.

The Union and the Employer agree the Employer has the right to make the final binding and determinative decision of the issue of what is the proper classification. Employer agrees that the decision shall be made in the final instance by the Human Resources Director. Notwithstanding any of the above, it is understood that the City shall in no way be limited from exercising its binding and final determination of the issue pending the approval of some subsequent party. However, both parties mutually agree to move with deliberate speed to select an individual acceptable to both sides.

Section 7. The City will provide the Union with a list of new hires and resignations on a monthly basis. Said list will be left in the Union mailbox located in the Human Resources Office. At the Union's request, the City will provide the union with a seniority list and list of all employee pay rates.

Section 8. Employer and the Union agree to establish a committee known as the Labor Management Training Committee which committee shall be formed for the purpose of investigating the establishment of training procedures and programs for the City of Reading with regard to the employees of the bargaining unit. The committee shall consist of one (1) person from the Human Resources Office, one (1) A.F.S.C.M.E. Officer, and one (1) Union Steward. The position of the Union Steward shall be rotated among the various divisions of the employer as needed. All decisions of the committee must be unanimous and shall consist of recommendations which shall be made to City Council and to the Union which recommendations shall not be binding on either party, but shall be advisory only. This Section does not apply to professional employees.

Section 9. The provisions of this collective bargaining agreement shall not be applicable to rank and file and professional employees employed at the Reading Public Library nor to rank and file employees who work at the Reading Public Library where such provisions deal with hours of work, holidays and vacation. Where said provisions differ from, delete or add to the provisions of said rank and file collective bargaining agreement the provisions of the current Reading Public Library Staff Manual shall govern.

Section 10. The parties agree if an opening occurs in the positions of Property Maintenance Inspector I, or Health Inspector I, in the Community Development Department, and the positions of Telecommunicator I and II, and the successful bidder is a person who had previously held the same position for a period of twelve (12) months or more, the successful bidder will be awarded the job at a level I for a period of thirty (30) days and if that person is qualified to perform the job, that person would then be transferred to a level II after said period of thirty (30) days.

Section 11. The City has the right to implement furlough days. Furlough days are mandatory, unpaid days off and shall be scheduled in a manner that minimizes the impact on service delivery to City residents and potential incurrence of overtime. Furlough days will not impact the seniority or health benefit status of an employee. They are implemented solely as a means of saving wages. The City will meet and discuss the imposition of furlough days with the union prior to implementation and will give the Union thirty (30) working days' notice of the planned implementation of furlough days.

Section 12. The City has the right to implement a light duty program which will essentially give the City the flexibility to assign employees to light duty positions anywhere within the City government, provided that the position is temporary and within the medical restrictions as set forth by the employee's treating physician. The injured worker shall keep the benefits and emollients of his/her original employee group, regardless of the temporary assignment.

Section 13. The City will exercise its' management rights to fill a position occupied by an employee who is absent in excess of six (6) months and if necessary, terminate employment after twelve (12) months of continued leave.

Section 14. The parties agree to change pay from semi-monthly to every 2 weeks at the discretion of the City with a payroll lag, provided that all three (3) remaining unions agree.

Section 15. The City agrees to have CBA's printed in-house and given to the Local for distribution.

Section 16. The parties agree, members of this bargaining unit earning in excess of the pay rates as a result of the pay and classification study to be performed will have their rate red-lined until they catch up to the established pay rate the study deems appropriate.

Section 17. The City will allow one (1) Union official up to two (2) hours to address new employees at the completion of their six (6) month probationary period.

Section 18. The City will grant paid or unpaid leave to either the Union president (and or one other Executive Board member to take the president's place that must be named in advance), if it does not impact the operations of the City, to attend Union functions with no loss of right or benefits.

Section 19. Drug Testing. The City will develop a drug testing policy that all AFSCME members will be subject to as long as all Management employees are subject to the same provisions in the policy.

Section 20. Employee Information Request

- a. The Employer shall provide to the Union, on a monthly (quarterly) basis, a list of all employees covered by the collective bargaining agreement. This list shall contain the following information: employee name; employee identification number; home address; telephone number; position; department; work location; hourly and annual pay rate; work schedule; whether the employee is a member or nonmember; and most recent date of hire.
- b. The Employer shall provide this list electronically, in Excel or similar format. The electronic file shall be transmitted monthly by email to the District Council Staff Representative.

Section 21.

- a. The Local Union or a Representative from District Council 88 shall have the opportunity to attend new employee orientation sessions conducted by the employer. The City shall provide notice at least 5 days prior to such sessions. The Union will be given up to 15 minutes during the session to speak with new employees.

ARTICLE XXV - PAST PRACTICE

Nothing in this Agreement nor the Agreement itself shall be considered as requiring the Employer to continue any past practices unless they are specifically set forth in this Agreement. This Agreement supersedes any past practice otherwise not covered by this Agreement and it supersedes any previous Agreement, verbal or written between the Employer, and employees covered hereby and any labor organization which may have represented employees or any of them heretofore.

ARTICLE XXVI - MANAGEMENT CLAUSE

The Parties to this collective bargaining agreement recognize that the City of Reading (the Employer) has been designated as fiscally distressed under the Pennsylvania Municipalities Financial Recovery Act (Act 47). The Parties further recognize that all provisions of this Agreement must be consistent with the City of Reading Financial Recovery Plan that was developed pursuant to Act 47. Any terms and conditions of this collective bargaining agreement that are not consistent with any recommendation in the City's Fiscal Recovery Plan shall be null and void. In this regard, the Parties acknowledge recommendation WF03 of the Recovery Plan and acknowledge their intent to comply with that recommendation. Nothing in this collective bargaining agreement shall be interpreted to be inconsistent with that provisions.

Consistent with the Recovery Plan, it is further understood and agreed that the direction of the City operations and the determination of all matters concerning the management or administration of the City and the means by which such operations are to be conducted shall be the sole function of the Employer/City. Consistent with the Recovery Plan, if there is a conflict between any provision of this collective bargaining agreement and the City's Recovery Plan, the City's Recovery Plan shall control. The Employer retains the sole right to manage its operations and the direct the City's operations and to determine all matters concerning the management and administration of the City and the means by which such operations are to be conducted, including but not limited to the right to hire, discipline, or discharge, layoff, promote, assign employees; determine the number of employees needed and staffing levels; determine the hours of worked and the number of hours worked, the number of shifts; develop policies, rules and regulations; assign duties; establish and change job classifications and job descriptions; to eliminate, abolish, change and/or combine classification and job descriptions or to organize, discontinue, subcontract, enlarge, relocate or reduce a department and/or function or service; to assign or transfer employees as operations may require.

ARTICLE XXVII - NO STRIKE - NO LOCKOUT

Section 1. It is agreed that on the part of the Union there shall during the term of this Agreement be no strike, stoppage of work or slow down, and on the part of the Employer no lockout.

Section 2. In the case of any strike, slow down, or other suspension of work not authorized by the Union, its officers or agents, and not called in compliance with the terms and provisions of this Agreement, the Employer agrees that such violation of this Agreement shall not cause the Union, its officers or agents, to be liable for damages; provided that the Union complies fully with the following:

- a. The Union's obligations to take action shall commence immediately upon receipt of notice from the Employer that a violation has occurred.
- b. Immediately upon receipt of such notice the responsible union representative shall immediately talk with those employees responsible for or participating in such violation, stating to them that:
 1. Their action is in violation of the Agreement, subjecting them to disciplinary action up to and including discharge.
 2. The Union will not oppose their discharge.
 3. The Union has not authorized the strike, slow down, or suspension of work and does not approve or condone it.
 4. The Union instructs the employees to immediately return to their respective jobs, submit any grievances they may have to the grievance procedure provided for in the Agreement.

Section 3. Any employee involved in any strike, stoppage of work or slowdown in violation of this provision shall be subject to discharge.

ARTICLE XXVIII - SPECIAL PROVISIONS RELATIVE TO CENTRAL RECORDS PERSONNEL

Section 1. This Article shall apply only to those persons occupying the position of Records Clerk assigned to the Department of Police, Central Records.

Section 2. By December 31, the Employer shall assign work assignments for holidays for the ensuing year, which work assignments and holidays shall be assigned on a rotating basis, which rotating basis shall be fair and equal to all employees.

Section 3. An employee who has been on sick leave and who intends to return to work shall report such intention by telephone or messenger to his/her supervisor no less than one (1) hour before their scheduled starting time for that days' work.

Section 4. Employees will be required to sign a memorandum in the form and manner attached removing midnight and rotating shift(s). (See Exhibit A) The City is allowed to change shifts for coverage with two (2) weeks advance notice. Employees may switch shifts providing there is mutual consent and approved by the Supervisor.

Section 5. Duration of work shift for employees in the Central Records Office will be changed to consist of eight (8) hours per work shift, with a one-half (1/2) hour paid lunch break to be included in that eight (8) hours.

Section 6. Any employee hired into or bidding into Central Records shall remain in said position for a minimum of two (2) years unless mutually agreed to by the City and the Union.

ARTICLE XXIX - DURATION OF CONTRACT

This Agreement shall cover and be effective from the 1st day of January, 2021 and shall continue to December 31, 2022. Notice of the desire to negotiate amendments to this Agreement shall be given in 2022 in accordance with the provisions of the Act of Pennsylvania General Assembly Number 195.

ARTICLE XXX - POLITICAL ACTION CONTRIBUTION

The City agrees to deduct a political action contribution from each employee who voluntarily signs an authorization card authorizing the City to do so; however, the Union agrees to indemnify and hold harmless the City from any liability arising out of the City deducting under this provision, and in the event of any dispute between the Employee and the Union the City shall have the right to discontinue the deduction.

ARTICLE XXXI - SAVINGS CLAUSE

Should any Article, Section, or portion thereof, of this Agreement be held unlawful and unenforceable by any court of competent jurisdiction, such decision of the court shall apply only to the specific Article, Section, or portion thereof directly specified in the decision; upon the issuance of such a decision, the parties agree immediately to negotiate a substitute for the invalidated Article, Section, or portion thereof, to the extent possible in the light of such decision of the Court.

ARTICLE XXXII - OPERATOR CERTIFICATIONS

The City of Reading shall designate which operators within the water and wastewater utilities (currently identified as the water purification plant and distribution system and the wastewater treatment plant and sanitary sewer collection system) involve process control and need to be certified. Persons employed in the designated positions shall have twenty-four (24) months to pass the appropriate examination modules for the appropriate size and type of plant treatment facility and/or system and until they have the necessary experience for the appropriate size of facilities to become certified. Individuals assuming the duties of the designated positions at either facility after the date of this Agreement shall have twenty-four (24) months to pass the appropriate examination and until they have the necessary experience to become certified. The City shall pay for reasonable education and training expenses related to the preparation for the examination contingent upon satisfactory completion of the training and/or preparatory course(s). The City shall also pay all costs for certification renewal including appropriate, approved continuing education as required for maintaining certification.

Any individual who must take the operator's examination shall have at least two (2) opportunities to pass the requisite modules of the examination if not completely successful with the first examination. In the event of any change in technology by the City or applicable certification requirements by PA DEP that require additional certifications, the City shall work with certified personnel in the above manner to prepare them to pass the appropriate examination module(s) prior to its effective date. An individual who does not qualify for the appropriate certification after at least two (2) examinations within twenty-four (24) months in the position, may exercise bumping rights pursuant to Article XIX Section 5 and move into a position which he/she is qualified to perform. Effective January 1, 2018, any employee hired or bidding into these positions who does not make at least two (2) attempts in good faith to obtain the appropriate certification will not be eligible for bumping and is not guaranteed continuation of employment. If the employee bumps to a lower paid position, the employee shall receive raises limited to 1% (for any year raises are given) until the wage of the position reaches the wage of the employee who bumped. Employees who are certified will receive either \$1.00 per hour wage differential or the position's full rate if they fully meet all the criteria established in the position description while working in a certified position.

Certified positions, and their successor positions, shall include the following with certification as noted:

Sewage Plant Operator - Plant and System
Pump Tender - Plant and System
Belt Press Operator - Plant and System
Water Plant Operator - Plant and System
Dewatering Technician - Plant and System Industrial Mechanic – WWTP
Service Utility Crew Leader - WWTP
Industrial Maintenance Mechanic – WWTP
Wastewater Treatment Plant Electrician – WWTP

Sanitary EO IIs are not required but are encouraged to obtain the collections license and will receive an extra fifty cents (\$0.50) per hour stipend, however, starting January 1, 2018 all new hires to the City will be required to obtain the collections license.

The City reserves the right to identify existing or create new positions that may require certification per Pennsylvania state mandates.

An employee who is not required to obtain this license but voluntarily obtains it and who then bids into a certified position shall be compensated for the above-listed cost of obtaining and retaining the certification.

Employees without certification cannot bump an employee who is employed in a utility where PA DEP certification is applicable and who has passed the appropriate certification examination or who is certified.

A committee consisting of two (2) AFSCME 2763 operations personnel and two (2) management staff from the appropriate utility shall investigate and agree by signoff on training options for assisting operations in personnel preparing for the certification examinations.

ARTICLE XXXIII - EMPLOYEE PARKING

Employees have the option of parking in the Poplar & Walnut garage or other stipulated Reading Parking Authority lot at a cost of \$40 per month payable in two (2) semi-monthly payments of \$20 for the first three (3) years of this Agreement. No employee will be permitted to park free of charge on any Reading Parking Authority lot or Cedar Street parking lot or use any City of Reading and/or Parking Authority complimentary parking pass.

ARTICLE XXXIV - PENSIONS

- a. The City will implement a non-deferral defined contribution plan to replace the current defined benefit plan for all non-uniform full-time City of Reading Employees.
- b. The final plan design and implementation date is at the discretion of the City, after discussing the plan design and implementation date with the Union.
- c. Only those people hired after the date of adoption of said plan [January 1, 2022] will be members of the newly adopted plan. Members of the defined benefit plan in existence prior to adoption of the new or amended plan will not be affected.
- d. The City reserves the right not to implement a non-deferral defined contribution plan or a hybrid plan. If the City at its' discretion chooses to remain with a defined benefit plan, the City has the right to amend the terms and benefits provisions of the defined benefit plan to reduce the cost to the City. The City will only pursue this amendment of terms and benefit provisions after discussing this with the Union. This section will only affect new hires after the date of amendment.
- e. The City shall have the right to amend the terms of the new plan that it chooses to implement to reduce its' pension costs and employees participating in that plan will have no vested rights in the benefits that existed prior to the amendment and will be subject to any change made to such benefits.

ARTICLE XXXV - REOPENER

In the event the Department of Environmental Protection requires the sanitary sewer department to obtain the collection certification, the Union and the City agree to reopen Article XXXII to discuss the Sanitary EO II position certification requirement and a \$0.50 per hour stipend.

IN WITNESS WHEREOF, the parties hereto warrant and represent that they are duly authorized to do so, have hereunto set their hands and seals this_____ day of _____, 2021.

AFSCME District Council 88,
Local 2763

City of Reading

Local President

Mayor

District Council 88 – Staff Representative

Attest

Date

Date

EXHIBIT A

EXHIBIT B – CERTIFICATION OF LIFE PARTNERSHIP

In accordance with Article XXIV of the current RECOMMENDATION with AFSCME Local 3799 and the City of Reading this form is to certify that a Life Partnership exists between the employee and the Life Partner (hereby referred to as Life Partner) listed below. This form must be completed by the employee and filed with the City of Reading's Human Resources office annually on or before December 31st.

We the undersigned do hereby affirm, under penalty of perjury, that we meet all of the following requirements for Life Partnership:

1. We are two adults, at least eighteen (18) years of age in a committed relationship of mutual caring, support and are jointly responsible for our common welfare and living expenses.
2. Neither of us is married to or legally separated from any other individual.
3. We are the sole Life Partner to each other.
4. We have lived together in the same residence on a continuous basis for at least six (6) months immediately prior to the date of this certification, neither of us has been a member of another Life Partnership for the past six months, we intended to reside together permanently.
5. We are not related to each other by adoption or by blood, to a degree that would, prohibit marriage in the Commonwealth of Pennsylvania.
6. We do not maintain this relationship solely to qualify for employment-related benefits.

Proof of Life Partnership

We are submitting with this certification proof that we have been interdependent of each other for at least six (6) months prior to this certification and affidavit being executed.

(Please check the following item(s) being submitted as proof)

- _____ A deed or lease evidencing common ownership or occupancy of real property.
- _____ Proof of joint credit cards or bank accounts.
- _____ Title of joint ownership of a motor vehicle.
- _____ Driver's licenses listing a common address.
- _____ Assignment of a durable power of attorney or health care power of attorney.

_____ A Life Partnership agreement.

Acknowledgements

We the undersigned understand that our status as Life Partners applies solely with respect to Funeral leave.

We the undersigned understand that annually we are required to furnish Certification and Proof of Life Partnership to the City of Reading's Human Resources Department on or before January 31st of each calendar year.

We the undersigned understand that we may be required from time to time furnish any further documentation the City of Reading may request for purposes of Life Partnership status.

Name of Employee- please print

Name of Partner- please print

Signature of Employee

Signature of Partner

Date

Date

I hereby acknowledge that the above statements are true and accurate to the best of my knowledge. I understand that any willful misrepresentation on my part may result in the invalidity of this document.

	2021 Rates - 4%								
	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I
AP Clerk	20.42	20.64	20.75	20.86	20.97	21.08	21.19	21.30	21.41
Accounting Clerk	21.77	21.99	22.10	22.21	22.32	22.43	22.54	22.65	22.76
Belt Press Operator I	22.60	22.82	22.93	23.04	23.15	23.26	23.37	23.48	23.59
Belt Press Operator 2	23.07	23.29	23.40	23.51	23.62	23.73	23.84	23.95	24.06
Clerk	19.46	19.68	19.79	19.90	20.01	20.12	20.23	20.34	20.45
Clerk Typist 1	20.45	20.67	20.78	20.89	21.00	21.11	21.22	21.33	21.44
Clerk Typist II (7)	21.07	21.29	21.40	21.51	21.62	21.73	21.84	21.95	22.06
Clerk Typist II (8)	19.88	20.10	20.21	20.32	20.43	20.54	20.65	20.76	20.87
Dev & Insp Clerk	21.45	21.67	21.78	21.89	22.00	22.11	22.22	22.33	22.44
Eng Aide II	21.25	21.47	21.58	21.69	21.80	21.91	22.02	22.13	22.24
Eng Aide III	21.99	22.21	22.32	22.43	22.54	22.65	22.76	22.87	22.98
Equipment Operator I	20.07	20.29	20.40	20.51	20.62	20.73	20.84	20.95	21.06
Equipment Operator II	22.60	22.82	22.93	23.04	23.15	23.26	23.37	23.48	23.59
Equipment Operator III	23.24	23.46	23.57	23.68	23.79	23.90	24.01	24.12	24.23
Industrial Mechanic	23.34	23.56	23.67	23.78	23.89	24.00	24.11	24.22	24.33
Lab Tech	21.90	22.12	22.23	22.34	22.45	22.56	22.67	22.78	22.89
Lead Clerk Records	22.86	23.08	23.19	23.30	23.41	23.52	23.63	23.74	23.85
Lib Tech I	21.98	22.20	22.31	22.42	22.53	22.64	22.75	22.86	22.97
Lib Tech II	22.05	22.27	22.38	22.49	22.60	22.71	22.82	22.93	23.04
Lib Tech III	22.43	22.65	22.76	22.87	22.98	23.09	23.20	23.31	23.42
Maint. Mechanic	23.34	23.56	23.67	23.78	23.89	24.00	24.11	24.22	24.33
Maint. Worker I	19.66	19.88	19.99	20.10	20.21	20.32	20.43	20.54	20.65
Maint. Worker I/Parts	19.66	19.88	19.99	20.10	20.21	20.32	20.43	20.54	20.65
Maint. Worker I/Signmaker	19.66	19.88	19.99	20.10	20.21	20.32	20.43	20.54	20.65
Maint. Worker II	20.07	20.29	20.40	20.51	20.62	20.73	20.84	20.95	21.06
Maint. Worker II/Elec/Mech	20.36	20.58	20.69	20.80	20.91	21.02	21.13	21.24	21.35
Maint. Worker/ San Sewers	20.97	21.19	21.30	21.41	21.52	21.63	21.74	21.85	21.96
Maint. Worker III	20.51	20.73	20.84	20.95	21.06	21.17	21.28	21.39	21.50
Maint. Worker III/ San Sewers	21.89	22.11	22.22	22.33	22.44	22.55	22.66	22.77	22.88
Maint. Worker III/Elec Mech	20.79	21.01	21.12	21.23	21.34	21.45	21.56	21.67	21.78
Municipal Aide II	21.01	21.23	21.34	21.45	21.56	21.67	21.78	21.89	22.00
Property Maint. Aide	17.97	18.19	18.30	18.41	18.52	18.63	18.74	18.85	18.96
Property Maint Insp I	21.50	21.72	21.83	21.94	22.05	22.16	22.27	22.38	22.49
Property Maint Insp II	21.95	22.17	22.28	22.39	22.50	22.61	22.72	22.83	22.94
Pump Tender	21.99	22.21	22.32	22.43	22.54	22.65	22.76	22.87	22.98
Records Clerk	21.40	21.62	21.73	21.84	21.95	22.06	22.17	22.28	22.39
Secretary	21.72	21.94	22.05	22.16	22.27	22.38	22.49	22.60	22.71
Service Utility Person	20.07	20.29	20.40	20.51	20.62	20.73	20.84	20.95	21.06
Sewage Plant Operator I	22.60	22.82	22.93	23.04	23.15	23.26	23.37	23.48	23.59
Sewage Plant Operator II	23.08	23.30	23.41	23.52	23.63	23.74	23.85	23.96	24.07
Small Engine Repairperson	21.69	21.91	22.02	22.13	22.24	22.35	22.46	22.57	22.68
Telecommunicator I	21.97	22.19	22.30	22.41	22.52	22.63	22.74	22.85	22.96
Telecommunicator II	22.86	23.08	23.19	23.30	23.41	23.52	23.63	23.74	23.85
Trades Inspector	30.44	30.66	30.77	30.88	30.99	31.10	31.21	31.32	31.43
Tradesman	24.95	25.17	25.28	25.39	25.50	25.61	25.72	25.83	25.94
Tradesman Electrical (Jour)	26.73	26.95	27.06	27.17	27.28	27.39	27.50	27.61	27.72
Tradesman Electrical (Master)	28.51	28.73	28.84	28.95	29.06	29.17	29.28	29.39	29.50
Zoning Technician	26.44	26.66	26.77	26.88	26.99	27.10	27.21	27.32	27.43
Zoning Inspector	27.98	28.20	28.31	28.42	28.53	28.64	28.75	28.86	28.97

Drafted by
Sponsored by/Referred by

Deputy City Clerk
Council Nominations and Appointments Committee

R E S O L U T I O N N O. ____-2021

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS
FOLLOWS:

Appointing Nehemiah Diaz Lopez, representing Council District 2, to the
Youth Commission with a term ending July 1, 2024.

Adopted by Council October 11, 2021

President of Council

Attest:

Linda A. Kelleher
City Clerk